UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)
x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the quarterly period ended December 31, 2013

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the transition period from ______ to ______

Commission File Number: 001-34632

Cryoport, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Nevada	**88-0313393**
(State or Other Jurisdiction of Incorporation or Organization)	**(IRS Employer Identification No.)**
20382 BARENTS SEA CIRCLE, LAKE FOREST, CA	**92630**
(Address of Principal Executive Offices)	**(Zip Code)**

(949) 470-2300
Registrant's Telephone Number, Including Area Code:

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. x Yes ¨ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). x Yes ¨ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	¨		Accelerated filer	¨
Non-accelerated filer	¨	(Do not check if a smaller reporting company)	Smaller reporting company	x

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ¨ Yes x No

As of February 7, 2014 the Company had 59,446,639, shares of its $0.001 par value common stock issued and outstanding.

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CRYOPORT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31, 2013 (unaudited)	March 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	$ 219,970	$ 563,104
Accounts receivable, net of allowances of $22,200 at December 31, 2013 and $8,700 at March 31, 2013	635,687	217,097
Inventories	30,008	39,212
Other current assets	102,718	138,892
Total current assets	988,383	958,305
Property and equipment, net	464,122	505,485
Intangible assets, net	189,094	272,263
Deposits and other assets	9,358	19,744
Total assets	$ 1,650,957	$ 1,755,797
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued expenses	$ 895,902	$ 858,709
Accrued compensation and related expenses	391,438	217,432
Convertible debentures payable and accrued interest, net of discount	390,471	1,304,419
Current portion of related party notes payable	96,000	96,000
Derivative liabilities	3	20,848
Total current liabilities	1,773,814	2,497,408
Related party notes payable and accrued interest, net of current portion	1,277,546	1,321,664
Total liabilities	3,051,360	3,819,072
Commitments and contingencies		
Stockholders' deficit:		
Preferred stock, $0.001 par value, 2,500,000 shares authorized, none issued and outstanding	—	—
Common stock, $0.001 par value; 250,000,000 shares authorized; 59,246,639 shares issued and outstanding at December 31, 2013 and 37,760,628 shares issued and outstanding at March 31, 2013	59,247	37,761
Additional paid-in capital	82,975,314	64,210,412
Accumulated deficit	(84,434,964)	(66,311,448)
Total stockholders' deficit	(1,400,403)	(2,063,275)
Total liabilities and stockholders' deficit	$ 1,650,957	$ 1,755,797

See accompanying notes to unaudited condensed consolidated financial statements

CRYOPORT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For The Three Months Ended December 31,		For The Nine Months Ended December 31,	
	2013	2012	2013	2012
Net revenues	$ 757,327	$ 307,153	$ 1,825,117	$ 732,049
Cost of revenues	590,266	368,795	1,531,312	1,066,853
Gross margin (loss)	167,061	(61,642)	293,805	(334,804)
Operating expenses:				
Selling, general and administrative	1,305,562	1,392,937	3,768,049	4,003,544
Research and development	118,490	94,424	329,569	305,031
Total operating expenses	1,424,052	1,487,361	4,097,618	4,308,575
Loss from operations	(1,256,991)	(1,549,003)	(3,803,813)	(4,643,379)
Other income (expense):				
Debt conversion expense	(552,750)	—	(13,713,767)	—
Interest expense	(31,786)	(11,896)	(626,781)	(48,255)
Change in fair value of derivative liabilities	1,196	(6,112)	20,845	27,712
Total other expense, net	(583,340)	(18,008)	(14,319,703)	(20,543)
Loss before income taxes	(1,840,331)	(1,567,011)	(18,123,516)	(4,663,922)
Income taxes	—	—	—	1,600
Net loss	$ (1,840,331)	$ (1,567,011)	$ (18,123,516)	$ (4,665,522)
Net loss per common share, basic and diluted	$ (0.03)	$ (0.04)	$ (0.40)	$ (0.12)
Basic and diluted weighted average common shares outstanding	58,995,821	37,760,628	45,342,320	37,760,628

See accompanying notes to unaudited condensed consolidated financial statements

CRYOPORT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For The Nine Months Ended December 31, 2013	2012
Cash Flows From Operating Activities		
Net loss	$ (18,123,516)	$ (4,665,522)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	258,189	307,262
Amortization of debt discount and deferred financing costs	540,648	8,843
Fair value of stock options and warrants issued to employees, directors and consultants	509,966	488,818
Change in fair value of derivative instruments	(20,845)	(27,712)
Loss on disposal of Cryogenic shippers	5,884	6,382
Debt conversion expense	13,713,767	—
Changes in operating assets and liabilities:		
Accounts receivable	(418,590)	(55,013)
Inventories	9,204	(3,705)
Other current assets	(22,898)	8,940
Accounts payable and accrued expenses	129,415	301,425
Accrued compensation and related expenses	174,006	(67,531)
Accrued interest	85,364	19,625
Net cash used in operating activities	(3,159,406)	(3,678,188)
Cash Flows From Investing Activities		
Purchases of property and equipment	(139,541)	(71,165)
Net cash used in investing activities	(139,541)	(71,165)
Cash Flows From Financing Activities		
Proceeds from issuance of convertible debt	3,206,301	—
Repayments of convertible debt	—	(82,800)
Payments of offering and deferred financing costs	(358,489)	(128,275)
Repayments of related party notes payable	(72,000)	(72,000)
Proceeds from exercise of stock options and warrants	180,001	—
Net cash provided by (used in) financing activities	2,955,813	(283,075)
Net change in cash and cash equivalents	(343,134)	(4,032,428)
Cash and cash equivalents, beginning of period	563,104	4,617,535
Cash and cash equivalents, end of period	$ 219,970	$ 585,107
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for:		
Interest	$ —	$ 15,676
Income taxes	$ —	$ 1,600
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Release of restricted cash for repayment of convertible debentures payable	$ —	$ 251,368
Offering costs in connection with equity financing included in accounts payable	$ —	$ 53,747
Estimated relative fair value of warrants issued in connection with convertible debentures payable	$ 255,452	$ —
Conversion of Bridge Notes payable and accrued interest into shares of common stock and warrants	$ 4,127,202	$ —

See accompanying notes to unaudited condensed consolidated financial statements

Note 1. Management's Representation and Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared by Cryoport, Inc. (the "Company", "our" or "we") in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information, and pursuant to the instructions to Form 10-Q and Article 10 of Regulation S-X promulgated by the Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statement presentation. However, the Company believes that the disclosures are adequate to make the information presented not misleading. In the opinion of management, all adjustments (consisting primarily of normal recurring accruals) considered necessary for a fair presentation have been included.

Operating results for the three and nine months ended December 31, 2013 are not necessarily indicative of the results that may be expected for the year ending March 31, 2014. The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2013.

The Company has evaluated subsequent events through the date of this filing, and determined that no subsequent events have occurred that would require recognition in the unaudited condensed consolidated financial statements or disclosure in the notes thereto other than as disclosed in the accompanying notes.

Note 2. Organization and Summary of Significant Accounting Policies

The Company

We provide leading edge frozen logistics solutions to the life sciences industry. Since 2011, through the completion of the combination of our purpose-built and patented packaging, purpose-built cold chain logistics software platform information technologies and developed logistics knowhow known as "total turnkey management" we have provided logistics solutions for frozen shipping to the life sciences industry. Our solutions are disruptive to "older technologies" as they are more comprehensive and provide reliable, economic alternatives to existing products and services utilized for frozen shipping in the life sciences industry including stem cells, cell lines, vaccines, diagnostic materials, semen and embryos for in-vitro fertilization, cord blood, bio-pharmaceuticals, infectious substances and other items that require continuous exposure to frozen or cryogenic temperatures. In addition, our solutions can contribute significantly to the effectiveness, reliability and efficiency of clinical trials.

Cryoport Express® Solutions include a cloud-based logistics management software platform branded as the Cryoportal™. The Cryoportal™ software platform supports the management of the entire logistics process through a single interface which includes initial order input, document preparation, customs clearance, courier management, shipment tracking, issue resolution, and delivery. Cryoport's total turnkey logistics solutions offer convenience, reliability and cost effectiveness, while the use of recyclable and reusable components provides "green", environmentally friendly solutions. The Cryoportal™ provides an array of unique information dashboards and validation documentation for every shipment.

Integral to our logistics solutions are our Cryoport Liquid Nitrogen Dry Vapor Shippers (Cryoport Express® Shippers), patented vacuum flasks) which provide packaging that is cost-effective and reusable cryogenic transport containers (patented vacuum flasks) utilizing innovative liquid nitrogen (LN2) "dry vapor" technology. Cryoport Express® Shippers are non-hazardous, IATA (International Air Transport Association) certified, and validated to maintain stable temperatures below minus 150° Celsius for a 10-plus day dynamic shipment period. The Company currently features two Cryoport Express® Shipper models, the Standard Dry Shipper (holding up to approximately 75-2.0 ml vials) and the High Volume Dry Shipper (holding up to approximately 500-2.0 ml vials).

The Cryoport Express® Solutions include document preparation, intervention capability, and recording and retaining a fully documented "chain-of-custody" and, at the client's option, "chain-of-condition" for every shipment, helping ensure that quality, safety, efficacy, and stability of shipped commodities shipped. This recorded and archived information allows our customers to meet the exacting requirements necessary for scientific work and for regulatory purposes. When a customize solution is not required, Cryoport Express® Solutions can be used by customers, as a "turnkey" solution, through direct access to the cloud-based Cryoportal™, or by contacting Cryoport Client Care for order entry tasks. Cryoport provides 24/7/365 logistics services through its Client Care team and also provides complete training and process management services to support each client's specific requirements.

From 2011 through 2012, the Cryoport Express® Shipper was the Company's principal focus for development and commercialization. During the last months of 2012, the Company's approach to the market was enhanced to include a comprehensive solutions orientation and it expanded its service offering to address the various broader market needs in the biotechnology and life science industries. Today, as a solutions provider, Cryoport tailors its frozen logistics solutions to its clients' requirements. In addition to custom solutions, the Company's primary customer facing solutions offerings are as follows:

- **Cryoport Express® Solution**

  The fully outsourced turnkey logistics solution described above.

- **Customer-Staged Solution**

  Cryoport ships an inventory of Cryoport Express® Shippers to the customer (uncharged and in bulk) enabling the customer to charge the shippers at its facility, process its orders through the Cryoportal™ which permits Cryoport Client Care to oversee the logistics of each shipment and the return of the shippers to Cryoport for cleaning, testing and refurbishing. Cryoport Client Care provides the 24/7/365 logistics services utilizing its Cryoportal™ logistics platform.

- **Customer-Managed Solution**

  Cryoport ships a fully charged Cryoport Express® Shipper(s) to the customer enabling the customer to utilize its internal expertise to manage all or a portion of the logistics services. As with the above solutions, the shippers are returned to Cryoport for cleaning, testing and refurbishing within a pre-determined time period.

- **Customer Integrated Logistics**

  The Cryoport logistics team provides a tailored and full range of logistics support solutions. In addition to tailoring a management solution, the robust, enterprise grade Cryoportal™ is used to provide complete logistics services while enabling the customer to utilize its own packaging solutions or Cryoport Express® Shippers. Cryoport can provide onsite logistics personnel allowing the customer to fully outsource its cold chain logistics needs to Cryoport and focus on its core competencies.

- **Distribution Partnerships**

  "Powered by Cryoport" is an important partnership arrangement with integrators, freight forwarders and other logistics providers, enabling partners to expand their solutions offering by adding the total Cryoport Express® Shipper solution to their customer offering.

One of our distribution partners is Federal Express Corporation ("FedEx"). We have an agreement with FedEx to provide frozen shipping logistics services through the combination of our purpose-built proprietary technologies and turnkey management processes. FedEx markets and sells Cryoport's services for frozen temperature-controlled cold chain transportation as its FedEx® Deep Frozen Shipping Solution, on a non-exclusive basis and at its sole expense. During fiscal year 2013, the Company worked closely with FedEx to further align its sales efforts and accelerate penetration within FedEx's life sciences customer base through improved processes, sales incentives, joint customer calls and more frequent communication at the sales and executive level. In addition, Fedex has developed a FedEx branded version of the Cryoportal™ software platform, which is "powered by Cryoport", for use by FedEx and its customers giving them access to the full capabilities of our logistics management platform.

In January 2013, we entered into a master agreement ("FedEx Agreement") with FedEx renewing these services and providing FedEx with a non-exclusive license and right to use a customized version of our Cryoportal™ for the management of shipments made by FedEx customers. The FedEx Agreement became effective on January 1, 2013 and, unless sooner terminated as provided in the FedEx Agreement, expires on December 31, 2015.

Pursuant to an agreement with DHL Express (USA), Inc. ("DHL"), DHL biotechnology and life science customers have direct access to our cloud-based order entry and tracking portal to order Cryoport Express® Shippers and receive preferred DHL shipping rates. The agreement covers DHL shipping discounts that may be used to support our customers using our Cryoport Express® Solutions. In connection with the agreement, we have integrated our proprietary Cryoportal™ to DHL's tracking and billing systems to provide DHL biotechnology and life science customers with a seamless way ("powered by Cryoport") of shipping their critical biological material worldwide.

In December 2012, we signed an agreement with Pfizer Inc. relating to Zoetis Inc. (formerly the animal health business unit of Pfizer Inc.) pursuant to which we were engaged to manage frozen shipments of a key poultry vaccine. Under this arrangement, the Company is providing on-site logistics personnel and its logistics management platform, the Cryoportal™, to manage shipments from the Zoetis manufacturing site in the United States to domestic customers as well as various international distribution centers. As part of our logistics management services, Cryoport is constantly analyzing shipping data and processes to further streamline Zoetis' logistics, ensuring products arrive at their destinations in specified conditions, on-time and with the optimum uses of resources. The Company manages Zoetis' total fleet of dewar flask shippers used for this purpose, including liquid nitrogen shippers. In July 2013 the agreement was amended to expand Cryoport's scope to manage all logistics of Zoetis' key frozen poultry vaccine to all Zoetis' international distribution centers as well as all domestic shipments of this vaccine. In October 2013 the agreement was further amended to further expand Cryoport's services to include the logistics management for a second poultry vaccine.

In February 2014, we entered into a services agreement with Liventa Bioscience, Inc. ("Liventa"), a commercial stage biotechnology company focused on cell-based, advanced biologics in the orthopedic industry. Under this agreement, Liventa will be using Cryoport Express® Solutions for the logistics of its cell-based therapies requiring cryogenic temperatures and also provide Cryoport Express® Solutions to the biologics suppliers within the orthopedic arena. The agreement combines Cryoport's proprietary, purpose-built cold chain logistics solutions for cell based and advanced biologic tissue forms with Liventa's distribution capability to orthopedic care providers.

We offer our solutions to companies in the life sciences industry and specific verticals including manufacturers of stem cells and cell lines, diagnostic laboratories, bio-pharmaceuticals, contract research organizations, in-vitro fertilization, cord blood, vaccines, tissue, animal husbandry, and other producers of commodities requiring reliable frozen solutions for logistics problems. These companies operate within heavily regulated environments and as such, changing vendors and distribution practices typically require a number of steps; which may include the audit of our facilities, review of our procedures, qualifying us as a vendor, and performing test shipments. This process can take up to nine months or longer to complete prior to a potential customer adopting one or more of the Cryoport Express® Solutions.

Going Concern

The unaudited condensed consolidated financial statements have been prepared using the accrual method of accounting in accordance with U.S. GAAP and have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. We have sustained operating losses since our inception and have used substantial amounts of working capital in our operations. Further, at December 31, 2013, we had an accumulated deficit of $84.4 million. During the nine months ended December 31, 2013, we used cash in operations of $3.2 million and had a net loss of $18.1 million, which included a one-time, non-cash debt conversion expense of $13.7 million.

We expect to continue to incur substantial additional operating losses from costs related to the commercialization of our Cryoport Express® Solutions and do not expect that revenues from operations will be sufficient to satisfy our funding requirements in the near term. We believe that our cash resources at December 31, 2013, additional bridge financing received subsequent to the quarter end, together with the revenues generated from our services will be sufficient to sustain our planned operations into the fourth quarter of fiscal year 2014; however, we must obtain additional capital to fund operations thereafter and for the achievement of sustained profitable operations. These factors raise substantial doubt about our ability to continue as a going concern. We are currently working on funding alternatives in order to secure sufficient operating capital to allow us to continue to operate as a going concern.

Future capital requirements will depend upon many factors, including the success of our commercialization efforts and the level of customer adoption of our Cryoport Express® Solutions as well as our ability to establish additional collaborative arrangements. We cannot make any assurances that the sales ramp will lead to achievement of sustained profitable operations or that any additional financing will be completed on a timely basis, on acceptable terms or at all. Management's inability to successfully achieve significant revenue increases or its cost reduction strategies or to complete any other financing will adversely impact our ability to continue as a going concern. To address this issue, the Company is seeking additional capitalization to properly fund our efforts to become a self-sustaining financially viable entity.

Principles of Consolidation

The unaudited condensed consolidated financial statements include the accounts of Cryoport, Inc. and its wholly owned subsidiary, Cryoport Systems, Inc. All intercompany accounts and transactions have been eliminated.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from estimated amounts. The Company's significant estimates include allowances for doubtful accounts and sales returns, recoverability of long-lived assets, deferred taxes and their accompanying valuations, valuation of derivative liabilities and valuation of common stock, warrants and stock options issued for products, services and conversion of debt.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, related-party notes payable and accrued interest, convertible notes payable and accrued interest, accounts payable and accrued expenses. The carrying value for all such instruments approximates fair value at December 31, 2013 and March 31, 2013, due to their short term nature. The difference between the fair value and recorded values of the related-party notes payable and accrued interest is not significant.

Cash and Cash Equivalents

The Company considers highly liquid investments with original maturities of 90 days or less to be cash equivalents.

Concentrations of Credit Risk

The Company maintains its cash accounts in financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") with basic deposit coverage limits up to $250,000 per owner. At December 31, 2013 and March 31, 2013, the Company had approximately $0 and $214,000, respectively, of cash balances which exceeded the FDIC insurance limit. The Company performs ongoing evaluations of these institutions to limit its concentration risk exposure.

Customers

The Company grants credit to customers within the U.S. and to a limited number of international customers and does not require collateral. Revenues from international customers are generally secured by advance payments except for a limited number of established foreign customers. The Company generally requires advance or credit card payments for initial revenues from new customers. The Company's ability to collect receivables is affected by economic fluctuations in the geographic areas and industries served by the Company. Reserves for uncollectible amounts are provided based on past experience and a specific analysis of the accounts which management believes is sufficient. Accounts receivable at December 31, 2013 and March 31, 2013 are net of reserves for doubtful accounts of approximately $22,200 and $8,700, respectively. Although the Company expects to collect amounts due, actual collections may differ from the estimated amounts.

The Company has foreign revenues primarily in Europe, Japan, and India. During the three month periods ended December 31, 2013 and 2012, the Company had foreign revenues of approximately $273,000 and $142,000, respectively, which constituted approximately 36% and 46% of total net revenues, respectively. During the nine month periods ended December 31, 2013 and 2012, the Company had foreign revenues of approximately $589,700 and $321,000, respectively, which constituted approximately 32% and 44% of total net revenues, respectively.

The majority of the Company's customers are in the life science industries. Consequently, there is a concentration of receivables within this industry, which is subject to normal credit risk. One customer accounted for 32% and 31% of total net revenues during the three and nine months ended December 31, 2013, respectively. No customer accounted for more than 10% of our total net revenues for the three and nine months ended December 31, 2012. The Company maintains reserves for bad debt and such losses, in the aggregate, which historically have not exceeded our estimates.

Inventories

The Company's inventories consist of accessories that are sold and shipped to customers along with pay-per-use containers that are not returned to the Company along with the containers at the culmination of the customer's shipping cycle. Inventories are stated at the lower of cost or current estimated market value. Cost is determined using the standard cost method which approximates the first-in, first-to-expire method. Inventories are reviewed periodically for slow-moving or obsolete status. The Company writes down the carrying value of its inventories to reflect situations in which the cost of inventories is not expected to be recovered. Once established, write-downs of inventories are considered permanent adjustments to the cost basis of the obsolete or excess inventories. Raw materials and finished goods include material costs less reserves for obsolete or excess inventories. The Company evaluates the current level of inventories considering historical trends and other factors, and based on the evaluation, records adjustments to reflect inventories at its net realizable value. These adjustments are estimates, which could vary significantly from actual results if future economic conditions, customer demand, competition or other relevant factors differ from expectations. These estimates require us to make assessments about future demand for the Company's products in order to categorize the status of such inventories items as slow-moving, obsolete or in excess-of-need. These estimates are subject to the ongoing accuracy of the Company's forecasts of market conditions, industry trends, competition and other factors. At December 31, 2013 and March 31, 2013, the Company's inventories consisted of $30,008 and $28,533 in raw materials, respectively, and $0 and $10,679 in finished goods, respectively.

Property and Equipment

The Company provides shipping containers to its customers and charges a fee in exchange for the use of the container. The Company's arrangements are similar to the accounting standard for leases since they convey the right to use the container over a period of time. The Company retains the title to the containers and provides its customers the use of the container for a specific shipping cycle. At the culmination of the customer's shipping cycle, the container is returned to the Company. As a result, the Company classifies the containers as fixed assets for the per-use container program.

Property and equipment are recorded at cost. Cryogenic shippers, which comprise 89% and 87% of the Company's net property and equipment balance at December 31, 2013 and March 31, 2013, respectively, are depreciated using the straight-line method over their estimated useful lives of three years. Equipment and furniture are depreciated using the straight-line method over their estimated useful lives (generally three to seven years) and leasehold improvements are amortized using the straight-line method over the estimated useful life of the asset or the lease term, whichever is shorter. Equipment acquired under capital leases is amortized over the estimated useful life of the assets or term of the lease, whichever is shorter and included in depreciation and amortization expense.

Betterments, renewals and extraordinary repairs that extend the lives of the assets are capitalized; other repairs and maintenance charges are expensed as incurred. The cost and related accumulated depreciation and amortization applicable to assets retired are removed from the accounts, and the gain or loss on disposition is recognized in current operations.

Depreciation and amortization expense for property and equipment was $51,476 and $175,020 and $63,183 and $222,729 for the three and nine months ended December 31, 2013 and 2012, respectively.

Intangible Assets

Intangible assets are comprised of patents and trademarks and software development costs. The Company capitalizes costs of obtaining patents and trademarks, which are amortized, using the straight-line method over their estimated useful life of five years. The Company capitalizes certain costs related to software developed for internal use. Software development costs incurred during the preliminary or maintenance project stages are expensed as incurred, while costs incurred during the application development stage are capitalized and amortized using the straight-line method over the estimated useful life of the software, which is five years. Capitalized costs include purchased materials and costs of services including the valuation of warrants issued to consultants.

Amortization expense for intangible assets was $27,723 and $83,169 and $27,148 and $84,533 for the three and nine months ended December 31, 2013 and 2012, respectively. All of the Company's intangible assets are subject to amortization.

Long-lived Assets

If indicators of impairment exist, we assess the recoverability of the affected long-lived assets by determining whether the carrying value of such assets can be recovered through undiscounted future operating cash flows. If impairment is indicated, we measure the amount of such impairment by comparing the fair value to the carrying value. We believe the future cash flows to be received from the long-lived assets will exceed the assets' carrying value, and accordingly, we have not recognized any impairment losses at December 31, 2013 or March 31, 2013.

Deferred Financing Costs

Deferred financing costs represent costs incurred in connection with the issuance of the convertible notes payable and private equity financing. Deferred financing costs related to issuance of debt are being amortized over the term of the financing instruments using the effective interest method while deferred financing costs from equity financings are netted against the gross proceeds received from the equity financings.

During the years ended March 31, 2013 and 2012, the Company incurred $103,542 and $572,255, respectively of offering costs in connection with the private placements that closed in February and March 2012, which were charged to additional paid-in capital and netted against the proceeds received in the private placements. As of December 31, 2013 and March 31, 2013, offering costs of $0 and $53,747, respectively, related to the private placement were included in accounts payable and accrued expenses in the accompanying condensed consolidated balance sheets.

In connection with the bridge notes in the fourth quarter of fiscal year 2013 and first nine months of fiscal year 2014, the Company incurred financing costs of $116,505 and $224,577, respectively, which were capitalized and were being amortized over the term of the convertible notes payable using the straight-line method which approximates the effective interest method. In connection with the 5% bridge notes, during the third quarter of fiscal 2014, the Company incurred financing costs of $41,890 that have been capitalized and are being amortized over the term of the convertible notes payable using the straight-line method which approximates the effective interest method (see Note 4). As of December 31, 2013 and March 31, 2013, financing costs of $0 and $38,475, respectively, related to the convertible notes payable were included in accounts payable and accrued expenses in the accompanying condensed consolidated balance sheets.

Convertible Debentures

If a conversion feature of conventional convertible debt is not accounted for as a derivative instrument and provides for a rate of conversion that is below market value, this feature is characterized as a beneficial conversion feature ("BCF"). A BCF is recorded by the Company as a debt discount. The convertible debt is recorded net of the discount related to the BCF. The Company amortizes the discount to interest expense over the life of the debt using the effective interest rate method.

Derivative Liabilities

Certain of the Company's issued and outstanding common stock purchase warrants which have exercise price reset features are treated as derivatives for accounting purposes. The common stock purchase warrants were not issued with the intent of effectively hedging any future cash flow, fair value of any asset, liability or any net investment in a foreign operation. The warrants do not qualify for hedge accounting, and as such, all future changes in the fair value of these warrants are recognized currently in earnings until such time as the warrants are exercised, expire or the related rights have been waived. These common stock purchase warrants do not trade in an active securities market, and as such, the Company estimates the fair value of these warrants using the Black-Scholes option pricing model ("Black-Scholes") (see Note 5).

Supply Concentration Risks

The component parts for our products are primarily manufactured at third party manufacturing facilities. The Company also has a warehouse at our corporate offices in Lake Forest, California, where the Company is capable of manufacturing certain parts and fully assembles its products. Most of the components that the Company uses in the manufacture of its products are available from more than one qualified supplier. For some components, however, there are relatively few alternate sources of supply and the establishment of additional or replacement suppliers may not be accomplished immediately, however, the Company has identified alternate qualified suppliers which the Company believes could replace existing suppliers. Should this occur, the Company believes that with its current level of shippers and production rate the Company has enough to cover a four to six week disruption in production.

There are no specific agreements with any manufacturer nor are there any long term commitments to any manufacturer. The Company believes that any of the manufactures currently used by it could be replaced within a short period of time as none have a proprietary component or a substantial capital investment specific to its products.

Commitments and Contingencies

The Company is subject to routine claims and litigation incidental to our business. In the opinion of management, the resolution of such claims is not expected to have a material adverse effect on our operating results or financial position.

Revenue Recognition

The Company provides logistics solutions to its clients and charges a fees in exchange for these services. The Company's arrangements, in some cases, are are similar to the accounting standard for leases since some solutions convey the right to use Cryoport Express® Shippers over a period of time. The Company retains title to the containers and provides its client's the use of the container for a specified shipping cycle. At the culmination of the customer's shipping cycle, the Cryoport Express® Shipper is returned to the Company.

The Company recognizes revenue for the use of its Cryoport Express® Shippers at the time of the delivery of the shipper to the end user of the enclosed materials, and at the time that collectability is reasonably certain. Revenue is based on gross sales net of discounts and allowances.

The Company's solutions may also provide information support and logistics support and management to some customers, which may include onsite logistics personnel. Revenue is recognized for these solutions as services are rendered and at the time that collectability is reasonably certain.

Accounting for Shipping and Handling Revenue, Fees and Costs

The Company classifies amounts billed for shipping and handling as revenue. Shipping and handling fees and costs are included in cost of revenues in the accompanying condensed consolidated statements of operations.

Research and Development Expenses

Expenditures relating to research and development are expensed in the period incurred. Research and development expenses to date have consisted primarily of costs associated with continually improving the features of the Cryoport Express® Solutions including the web based customer service portal and the Cryoport Express® Shippers. Further, these efforts are expected to lead to the introduction of shippers of varying sizes based on market requirements, constructed of lower cost materials and utilizing high volume manufacturing methods that will make it practical to provide the cryogenic packages offered by the Cryoport Express® Solutions. An additional research and development effort has been directed toward improvements to the liquid nitrogen retention system to render it more reliable in the general shipping environment and to the design of the outer packaging.

Stock-based Compensation

The Company accounts for stock-based payments to employees and directors in accordance with stock-based payment accounting guidance which requires all stock-based payments to employees and directors, including grants of employee stock options and warrants, to be recognized based upon their fair values. The fair value of stock-based awards is estimated at grant date using Black-Scholes and the portion that is ultimately expected to vest is recognized as compensation cost over the requisite service period.

Since stock-based compensation is recognized only for those awards that are ultimately expected to vest, the Company has applied an estimated forfeiture rate to unvested awards for the purpose of calculating compensation cost. These estimates will be revised, if necessary, in future periods if actual forfeitures differ from estimates. Changes in forfeiture estimates impact compensation cost in the period in which the change in estimate occurs. The estimated forfeiture rates at December 31, 2013 and March 31, 2013 was zero as the Company has not had a significant history of forfeitures and does not expect significant forfeitures in the future.

Cash flows from the tax benefits resulting from tax deductions in excess of the compensation cost recognized for those options or warrants are classified as financing cash flows. Due to the Company's loss position, there were no such tax benefits during the three and nine months ended December 31, 2013 and 2012.

The Company uses Black-Scholes to estimate the fair value of stock-based awards. The determination of fair value using Black-Scholes is affected by its stock price as well as assumptions regarding a number of complex and subjective variables, including expected stock price volatility, risk-free interest rate, expected dividends and projected employee stock option exercise behaviors.

The Company's stock-based compensation plans are discussed further in Note 7.

Equity Instruments Issued to Non-Employees for Acquiring Goods or Services

Issuances of the Company's common stock for acquiring goods or services are measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. The measurement date for the fair value of the equity instruments issued to consultants or vendors is determined at the earlier of (i) the date at which a commitment for performance to earn the equity instruments is reached (a "performance commitment" which would include a penalty considered to be of a magnitude that is a sufficiently large disincentive for nonperformance) or (ii) the date at which performance is complete. When it is appropriate for the Company to recognize the cost of a transaction during financial reporting periods prior to the measurement date, for purposes of recognition of costs during those periods, the equity instrument is measured at the then-current fair values at each of those interim financial reporting dates (see Note 7).

Income Taxes

The Company accounts for income taxes under the provision of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*, or ASC 740. The Company is a subchapter "C" corporation and files a federal income tax return. The Company files state income tax returns in California.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations. Based on the weight of available evidence, the Company's management has determined that it is more likely than not that the net deferred tax assets will not be realized. Therefore, the Company has recorded a full valuation allowance against the net deferred tax assets. The Company's income tax provision consists of state minimum taxes.

ASC 740, which clarifies the accounting for uncertainty in income taxes recognized in the financial statements, provides that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Income tax positions must meet a more likely than not recognition threshold. As of December 31, 2013 and March 31, 2013, there were no unrecognized tax benefits included in the accompanying condensed consolidated balance sheets that would, if recognized, affect the effective tax rates. It is not anticipated that there will be a significant change in the unrecognized tax benefits over the next twelve months.

The Company's policy is to recognize interest and/or penalties related to income tax matters in income tax expense. The Company had no accrual for interest or penalties on its condensed consolidated balance sheets at December 31, 2013 and March 31, 2013, respectively and has not recognized interest and/or penalties in the condensed consolidated statements of operations for the three or nine months ended December 31, 2013 and 2012. The Company is subject to taxation in the U.S. and various state jurisdictions. As of December 31, 2013, the Company is no longer subject to U.S. federal examinations for years before 2009 and for California franchise and income tax examinations for years before 2008. However, to the extent allowed by law, the taxing authorities may have the right to examine prior periods where net operating losses were generated and carried forward, and make adjustments up to the amount of the net operating loss carry forward amount. The Company is not currently under examination by U.S. federal or state jurisdictions.

Basic and Diluted Net Loss Per Share

Basic net loss per common share is computed based on the weighted average number of shares outstanding during the period. Diluted net loss per share is computed by dividing net loss by the weighted average shares outstanding assuming all dilutive potential common shares were issued. In addition, in computing the dilutive effect of convertible securities, the numerator is adjusted to add back the after-tax amount of interest, if any, recognized in the period associated with any convertible debt. For the three and nine months ended December 31, 2013 and 2012, the Company was in a loss position and the basic and diluted net loss per share were the same since the effect of stock options, warrants and convertible notes payable on net loss per share was anti-dilutive and thus not included in the diluted net loss per share calculation. The impact under the treasury stock method of dilutive stock options and warrants and the if-converted method of convertible debt would have resulted in weighted average common shares outstanding of approximately 65,130,000 and 47,425,000 and 37,830,000 and 37,828,000 for the three and nine month periods ended December 31, 2013 and 2012, respectively.

Segment Reporting

We currently operate in only one segment.

Fair Value Measurements

The Company determines the fair value of its derivative instruments using a three-level hierarchy for fair value measurements in which these assets and liabilities must be grouped, based on significant levels of observable or unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. This hierarchy requires the use of observable market data when available. These two types of inputs have created the following fair-value hierarchy:

Level 1 — Valuations based on unadjusted quoted market prices in active markets for identical securities. Currently the Company does not have any items classified as Level 1.

Level 2 — Valuations based on observable inputs (other than Level 1 prices), such as quoted prices for similar assets at the measurement date; quoted prices in markets that are not active; or other inputs that are observable, either directly or indirectly.

Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement, and involve management judgment. The Company uses Black-Scholes to determine the fair value of the instruments. If the inputs used to measure fair value fall in different levels of the fair value hierarchy, a financial security's hierarchy level is based upon the lowest level of input that is significant to the fair value measurement.

The following table presents the Company's warrants measured at fair value on a recurring basis as of December 31, 2013 and March 31, 2013 classified using the valuation hierarchy:

	Level 3 Carrying Value December 31, 2013 (unaudited)	Level 3 Carrying Value March 31, 2013
Derivative liabilities	$ 3	$ 20,848

The following table provides a reconciliation of the beginning and ending balances for the Company's derivative liabilities measured at fair value using Level 3 inputs for the nine months ended December 31, 2013 and 2012:

	Level 3 Carrying Value 2013	Level 3 Carrying Value 2012
Balance at March 31,	$ 20,848	$ 37,334
Change in fair value	(20,845)	(27,712)
Balance at December 31, (unaudited)	$ 3	$ 9,622

Note 3. Related Party Transactions

Related Party Notes Payable

As of December 31, 2013 and March 31, 2013, the Company had aggregate principal balances of $579,500 and $651,500, respectively, in outstanding unsecured indebtedness owed to four related parties, including former members of the Company's board of directors, representing working capital advances made to the Company from February 2001 through March 2005. These notes bear interest at the rate of 6% per annum and provide for aggregate monthly principal payments which began April 1, 2006 of $2,500, and which increased by an aggregate of $2,500 every nine months to a maximum of $10,000 per month. As of December 31, 2013, the aggregate principal payments totaled $8,000 per month. Any remaining unpaid principal and accrued interest is due at maturity on various dates through March 1, 2015.

Related-party interest expense under these notes was $8,934 and $27,882 and $10,364 and $32,202 for the three and nine months ended December 31, 2013 and 2012, respectively. Accrued interest, which is included in related party notes payable in the accompanying condensed consolidated balance sheets, amounted to $794,046 and $766,164 as of December 31, 2013 and March 31, 2013, respectively.

Convertible Bridge Notes

During the nine months ended December 31, 2013, the Company issued to certain accredited investors various unsecured promissory notes with the terms as described under Note 4. These unsecured promissory notes included $70,000 of the 5% Bridge Notes (as defined below) issued to Jerrell Shelton, the Company's Chief Executive Officer, $100,000 of the Bridge Notes issued to Richard Rathmann, a member of the Board of Directors of the Company, and $200,000 of the Bridge Notes issued to GBR Investments, LLC , of which Richard Rathmann, is the manager.

Note 4. Convertible Notes Payable

October 2007 Debentures

The convertible debentures issued by the Company to institutional investors in October 2007 were repaid during the three months ended June 30, 2012. During the three and nine months ended December 31, 2012, the Company recognized an aggregate of $0 and $8,843, respectively, in interest expense due to amortization of debt discount related to the warrants and beneficial conversion features associated with the Company's outstanding convertible notes payable. During the three and nine months ended December 31, 2012, the Company recorded interest expense of $0 and $3,091, respectively, related to the stated interest associated with the convertible notes payable.

2013 and 2014 Bridge Notes

In the fourth quarter of fiscal 2013 and first nine months of fiscal 2014, the Company issued to certain accredited investors unsecured convertible promissory notes (the "Bridge Notes") in the original principal amount of $1,294,500 and $2,765,301, respectively, for total principal of $4,059,801, pursuant to the terms of subscription agreements and letters of investment intent.

The Bridge Notes accrued interest at a rate of 15% per annum from date of issuance until January 31, 2013 and at a rate of 5% per annum from February 1, 2013 through the date of payment, in each case on a non-compounding basis. All principal and interest under the Bridge Notes were due on December 31, 2013. Accrued interest related to these notes amounted to $0 and $9,919, as of December 31, 2013 and March 31, 2013, respectively.

In connection with the issuance of the Bridge Notes to three accredited investors totaling $400,000 in June, July and August 2013, the Company granted these investors warrants to purchase 1,797,457 shares of common stock at an exercise prices ranging from $0.19 to $0.29 per share. The relative fair value of the warrants of $199,170 was recorded as a debt discount and was amortized to interest expense using the straight-line method which approximates the effective interest method over the term of the Bridge Notes (see Note 7). These Bridge Notes accrued interest at 8% per annum from the date of issuance through date of payment, on a non-compounding basis. All other terms of these Bridge Notes are consistent with the rest of the Bridge Notes. Upon conversion of the Bridge Notes in September 2013, the remaining unamortized debt discount was amortized to interest expense.

In September and October 2013, the Bridge Note holders accepted an offer by the Company and converted an aggregate of $4,127,202 of outstanding principal and interest under the Bridge Notes into 20,636,011 units (the "Units") at a price of $0.20 per Unit, with each Unit consisting of (i) one share of common stock of the Company ("Common Stock") and (ii) one warrant to purchase one share of Common Stock at an exercise price of $0.37 per share (see Note 7). The warrants are exercisable beginning on March 31, 2014 and have a term of five years from date of issuance. As the transaction was considered an induced conversion under the applicable accounting guidance, the Company recognized $13,713,767 in debt conversion expense representing the fair value of the securities transferred in excess of the fair value of the securities issuable upon the original conversion terms of the Bridge Notes. The Company calculated the fair value of the common stock issued by using the closing price of the stock on the date of issuance. The fair value of the warrants was calculated using Black-Scholes.

Upon conversion of the Bridge Notes, the remaining unamortized debt discount was amortized to interest expense. During the three and nine months ended December 31, 2013, the Company amortized $0 and $199,170, respectively, to interest expense.

5% Bridge Notes

In December 2013, the Company issued to certain accredited investors unsecured convertible promissory notes (the "5% Bridge Notes") in the original principal amount of $441,000, pursuant to the terms of subscription agreements and letters of investment intent. This includes a note in the amount of $70,000 issued to Jerrell Shelton, the Company's Chief Executive Officer, on December 11, 2013.

The 5% Bridge Notes accrue interest at a rate of 5% per annum from the date of issuance through date of payment, on a non-compounding basis. All principal and interest under the 5% Bridge Notes becomes due on June 30, 2014. Accrued interest related to these notes of $1,083 is included in accounts payable and accrued expenses in the accompanying condensed consolidated balance sheet at December 31, 2013.

In connection with the issuance of the 5% Bridge Notes, the Company granted these investors warrants to purchase 220,500 shares of common stock at an exercise price of $0.49 per share. The warrants are exercisable on May 31, 2014 and expire on December 31, 2018. The relative fair value of the warrants of $56,282 was recorded as a debt discount and is amortized to interest expense using the straight-line method which approximates the effective interest method over the term of the 5% Bridge Notes (see Note 7). During the three and nine months ended December 31, 2013, the Company amortized $5,753 to interest expense for these notes.

In the event the Company designates and issues one or more types of equity securities while the 5% Bridge Notes are outstanding ("Subsequent Offering"), the Company will provide written notice to the holders of the notes and such holders will have a right to convert up to all of the principal and accrued unpaid interest on the notes into shares of such equity securities on the same terms as the Subsequent Offering during the ten days following the provision of such notice. The conversion price for these equity securities will be 90% of the offering price for the equity securities. The Company was unable to value the conversion feature of these 5% Bridge Notes given the absence of a conversion rate and the convertibility of the 5% Bridge Notes being contingent upon the completion of a Subsequent Offering.

Emergent Financial Group, Inc. ("Emergent") served as the Company's placement agent in connection with the original placement of the 5% Bridge Notes and earned a commission of 9% of the original principal balance of such notes. Debt financing costs of $41,890 comprised primarily of the commission earned by Emergent, which is recorded in other current assets in the accompanying condensed consolidated balance sheet, is being amortized to interest expense under the straight-line method which approximates the effective interest method over the term of the notes. Emergent did not receive any compensation with respect to the 5% Bridge Note in the principal amount of $70,000 issued to Jerrell Shelton, the Chief Executive Officer of the Company.

The 5% Bridge Notes also include a provision that the Company may, at any time after January 31, 2014, offer to the holders of these notes the right to convert all or a portion of the principal and accrued interest into units consisting of shares and a warrant to purchase additional shares of the Company's Common Stock. The number of shares issued upon conversion will be based on a conversion price that is equal to 70% of the average volume-weighted average price ("VWAP") of the Company's Common Stock for the ten (10) consecutive trading days immediately prior to the date of such offer. For each share issued in such conversion, the holder will be issued a warrant to purchase one share of Common Stock at an exercise price equal to the 110% of such average VWAP. The warrants will expire five years from issuance.

In January and February 2014, the Company issued additional 5% Bridge Notes in the original principal amount of $310,000 to certain accredited investors, pursuant to the terms of the subscription agreements and letters of investment intent. This includes a note in the amount of $50,000 issued to Jerrell Shelton, the Company's Chief Executive Officer, on January 10, 2014 and a note in the amount of $100,000 issued on February 3, 2014 to GBR Investments LLC, of which Richard G. Rathmann, a member of the board of directors of the Company, is the manager.

Debt financing costs of $382,972 comprised of agent commissions which were recorded in other current assets and were to be amortized to interest expense under the straight-line method which approximates the effective interest method over the term of the Bridge Notes and 5% Bridge Notes. Upon conversion of the Bridge Notes in September and October 2013, the remaining unamortized debt financing costs were amortized to interest expense. During the three and nine months ended December 31, 2013, the Company amortized $19,514 and $335,725, respectively, to interest expense.

Note 5. Derivative Liabilities

In accordance with current accounting guidance, certain of the Company's outstanding warrants to purchase shares of common stock are treated as derivatives because these instruments have reset or ratchet provisions in the event the Company raises additional capital at a lower price, among other adjustments. As such, the fair value of these common stock purchase warrants were treated as derivative liabilities since their date of issuance or modification. Changes in fair value are recorded as non-operating, non-cash income or expense at each reporting date. If the fair value of the derivatives is higher at the subsequent balance sheet date, the Company will record a non-operating, non-cash charge. If the fair value of the derivatives is lower at the subsequent balance sheet date, the Company will record non-operating, non-cash income. As of December 31, 2013 and March 31, 2013 the Company had derivative warrant liabilities of $3 and $20,848, respectively.

During the three and nine months ended December 31, 2013 and 2012, the Company recognized aggregate gains/(losses) of $1,196 and $20,845 and $(6,112) and $27,712, respectively, due to the change in fair value of its derivative instruments (see Note 2).

The Company's common stock purchase warrants do not trade in an active securities market, and as such, the Company estimated the fair value of these warrants using Black-Scholes using the following assumptions:

	For the Nine Months Ended December 31, 2013 (unaudited)	For the Year Ended March 31, 2013
Expected dividend	—	—
Expected term (in years)	0.26 to 0.81	1.01 to 1.81
Risk free interest rate	0.04% to 0.15%	0.14% to 0.33%
Expected volatility	104% to 144%	129% to 158%

Historical volatility was computed using daily pricing observations for recent periods that correspond to the remaining term of the warrants, which had an original term of five years from the date of issuance. The expected life is based on the remaining term of the warrants. The risk-free interest rate is based on U.S. Treasury securities with a maturity corresponding to the remaining term of the warrants.

Note 6. Commitments and Contingencies

Lease Commitments

We currently lease two facilities, with approximately 11,900 square feet of corporate, research and development, and warehouse facilities, located in Lake Forest, California ("Lake Forest Facility") and approximately 4,100 square feet of corporate facilities located in San Diego, California ("San Diego Facility"). In June 2010, the Company entered into a third amendment to the Lake Forest Facility lease and extended the lease for sixty months commencing July 1, 2010 with a right to cancel the lease with a minimum of 120 day written notice at any time after December 31, 2012 and adjusted the base lease payments to a range over the life of the agreement of $7,010 per month to $8,911 per month, plus operating expenses. On November 28, 2011, the Company entered into a lease agreement for the San Diego Facility for a thirty-six month period ending December 31, 2014. Base lease payments range over the life of the agreement of $8,621 per month to $9,442 per month, plus operating expenses.

Total rental expense was approximately $39,300 and $140,800 and $49,000 and $156,000 for the three and nine months ended December 31, 2013 and 2012, respectively.

Consulting and Engineering Services

Effective November 1, 2010, the Company entered into a Second Amendment to Master Consulting and Engineering Services Agreement (the “Second Amendment”) with KLATU Networks, LLC (“KLATU”), which amended the Master Consulting and Engineering Services Agreement between the parties dated as of October 9, 2007 (the “Agreement”), as amended by the First Amendment to Master Consulting and Engineering Services Agreement between the parties dated as of April 23, 2009. The parties entered into the Second Amendment to clarify their mutual intent and understanding that all license rights granted to the Company under the Agreement, as amended, shall survive any termination or expiration of the Agreement. In addition, in recognition that the Company has paid KLATU less than the market rate for comparable services, the Second Amendment provides that if the Company terminates the Agreement without cause, which the Company has no intention of doing, or liquidates, KLATU shall be entitled to receive additional consideration for its services provided from the commencement of the Agreement through such date of termination, which additional compensation shall not be less than $2 million plus two times the “cost of work” (as defined in the Agreement). Any such additional compensation would be payable in three equal installments within 12 months following the date the amount of such additional compensation is determined. If KLATU terminates that agreement, no such payments are payable.

The agreement provides for one year terms ending on December 31 of each year, but it automatically renews for one year periods unless otherwise terminated. Consulting fees for services provided by KLATU were $113,431 and $319,882 and $91,145 and $287,816 for the three and nine months ended December 31, 2013 and 2012, respectively.

Litigation

The Company may become a party to product litigation in the normal course of business. The Company accrues for open claims based on its historical experience and available insurance coverage. In the opinion of management, there are no legal matters involving the Company that would have a material adverse effect upon the Company’s financial condition or results of operations.

Indemnities and Guarantees

The Company has made certain indemnities and guarantees, under which it may be required to make payments to a guaranteed or indemnified party, in relation to certain actions or transactions. The guarantees and indemnities do not provide for any limitation of the maximum potential future payments the Company could be obligated to make. Historically, the Company has not been obligated nor incurred any payments for these obligations and, therefore, no liabilities have been recorded for these indemnities and guarantees in the accompanying condensed consolidated balance sheets.

The Company indemnifies its directors, officers, employees and agents, as permitted under the laws of the States of California and Nevada. In connection with its facility leases, the Company has indemnified its lessors for certain claims arising from the use of the facilities. The duration of the guarantees and indemnities varies, and is generally tied to the life of the agreement.

Note 7. Equity

Preferred Stock

On September 22, 2011, the Company’s stockholders approved an amendment to the Company’s Amended and Restated Articles of Incorporation to authorize a class of undesignated or “blank check” preferred stock, which had previously been approved by the Company’s board of directors on July 19, 2011, consisting of 2,500,000 shares at $0.001 par value per share. Shares of preferred stock may be issued in one or more series, with such rights, preferences, privileges and restrictions as shall be fixed by the Company’s board of directors.

Common Stock, Warrants and Options

During December 2013, the Company issued warrants to purchase 220,500 shares of the Company’s common stock at an exercise price of $0.49 per share to accredited investors in connection with the issuance of the 5% Bridge Notes in the aggregate amount of $441,000 (see Note 4). The warrants are exercisable on May 31, 2014 and expire on December 31, 2018. The relative fair value of the warrants of $56,282 was calculated using Black-Scholes. This includes a warrant to purchase 35,000 shares of common stock issued to Jerrell Shelton, the Company’s Chief Executive Officer, on December 11, 2013 in connection with the issuance of a note in the amount of $70,000.

On December 2, 2013, GBR Investments, LLC, of which Richard G. Rathmann, a member of the board of directors of the Company, is the manager, exercised warrants to purchase 200,000 shares of Common Stock at $0.25 per share.

On November 27, 2013, Jerrell Shelton, the Company's Chief Executive Officer, exercised options to purchase 150,000 shares of Common Stock at $0.20 per share.

On November 14, 2013, the Company and certain members of the board of director members agreed to rescind the conversion of outstanding board of director fees in the amount of $44,556 into Units of the Company's common stock, which was disclosed in the Company's Current Report on Form 8-K dated September 27, 2013, due to unintended accounting and tax consequences of such transaction. The outstanding board of director fees are included in accrued compensation and related expenses in the accompanying condensed consolidated balance sheet as of December 31, 2013.

In September and October, 2013, the Company entered into definitive agreements for the conversion of the Bridge Notes pursuant to the offer letter from the Company and Letters of Tender and Exchange submitted by the note holders (the "Exchange Documents").

Pursuant to the Exchange Documents, the Bridge Note holders converted an aggregate of $4,127,202 of outstanding principal and interest under the Bridge Notes into 20,636,011 units (the "Units") at a price of $0.20 per Unit, with each Unit consisting of (i) one share of common stock of the Company ("Common Stock") and (ii) one warrant to purchase one share of Common Stock at an exercise price of $0.37 per share. The warrants are exercisable beginning on March 31, 2014 and have a term of five years from date of issuance. As the transaction was considered an induced conversion under the applicable accounting guidance, the Company recognized $13,713,767 in debt conversion expense representing the fair value of the securities transferred in excess of the fair value of the securities issuable upon the original conversion terms of the Bridge Notes. The Company calculated the fair value of the common stock issued by using the closing price of the stock on the date of issuance. The fair value of the warrants was calculated using Black-Scholes.

Emergent Financial Group, Inc. served as the Company's placement agent in connection with the original placement of the Bridge Notes and earned a commission of 9% of the original principal balance of such Bridge Notes, or $341,082 at the time of the original issuance of such notes and was issued warrants to purchase 1,911,259 shares of Common Stock at an exercise price of $0.20 per share upon the conversion of such Bridge Notes. The fair value of the warrants issued of $793,857 was calculated using Black-Scholes and was recorded to additional paid-in capital with no effect on equity. Emergent Financial Group, Inc. did not receive any compensation with respect to the Bridge Notes issued to Richard G. Rathmann, a member of the board of directors of the Company or GBR Investments, LLC, of which Mr. Rathmann is the manager, or for the conversion of such Bridge Notes.

On July 12, 2013 and August 12, 2013, GBR Investments, LLC, invested $100,000 in the Bridge Notes and also received a warrant to purchase 400,000 and 344,827 shares of common stock, respectively, at an exercise price of $0.25 and $0.29 per share, respectively. The terms were set and offered by the Company to certain accredited investors prior to GBR's participation. The relative fair value of the warrants was $92,171. Richard Rathmann, a member of the board of directors of the Company, is the Manager of GBR investments, LLC and is considered an indirect beneficial owner of these securities.

During June 2013, the Company issued warrants to purchase 1,052,630 shares of the Company's common stock at an exercise price of $0.19 per share and a five year life to accredited investors in connection with the issuance of certain Bridge Notes in the aggregate amount of $200,000. The relative fair value of the warrants was $106,999 and was calculated using Black-Scholes.

In May 2013, the Company issued 500,000 shares of common stock upon the exercise of options at an exercise price of $0.20 per share for total gross proceeds of $100,000. There were no exercises of options or warrants during the nine months ended December 31, 2012.

During April 2012, the Company issued a warrant to purchase 30,000 shares of the Company's common stock at an exercise price of $0.50 per share and a two year life to a consultant for services rendered. The Company recognized $8,546 in expense related to this warrant for the nine months ended December 31, 2012.

During December 2011, the Company issued a warrant to purchase 155,844 shares of the Company's common stock at an exercise price of $0.77 per share and a five year life to a consultant for services to be rendered over two years. The service agreement was terminated in May 2012. The Company recognized $8,084 in expense related to this warrant for the nine months ended December 31, 2012.

During April 2011, the Company issued a warrant to purchase 2,500 shares of the Company's common stock at an exercise price of $1.38 per share and a five year life to a consultant for services to be rendered over three years. The Company recognized $280 and $837 in expense related to this warrant for the three and nine months ended December 31, 2013 and 2012, respectively.

Stock-based Compensation Plan Descriptions

The Company maintains three stock incentive plans, the 2002 Stock Incentive Plan (the "2002 Plan"), the 2009 Stock Incentive Plan (the "2009 Plan") and the 2011 Stock Incentive Plan (the "2011 Plan"). The 2002 Plan provides for grants of incentive stock options and nonqualified options to employees, directors and consultants of the Company to purchase the Company's shares at the fair value, as determined by management and the board of directors, of such shares on the grant date. The options are subject to various vesting conditions and generally vest over a three-year period beginning on the grant date and have seven to ten-year term. The 2002 Plan also provides for the granting of restricted shares of common stock subject to vesting requirements. The Company is authorized to issue up to 500,000 shares under this plan and has no shares available for future issuances as the 2002 Plan has expired.

On October 9, 2009, the Company's stockholders approved and adopted the 2009 Plan, which had previously been approved by the Company's board of directors on August 31, 2009. The 2009 Plan provides for the grant of incentive stock options, nonqualified stock options, restricted stock rights, restricted stock, performance share units, performance shares, performance cash awards, stock appreciation rights, and stock grant awards (collectively, "Awards") to employees, officers, non-employee directors, consultants and independent contractors of the Company. The 2009 Plan also permits the grant of awards that qualify for the "performance-based compensation" exception to the $1,000,000 limitation on the deduction of compensation imposed by Section 162(m) of the Internal Revenue Code. A total of 1,200,000 shares of the Company's common stock are authorized for the granting of Awards under the 2009 Plan. The number of shares available for future Awards, as well as the terms of outstanding Awards, is subject to adjustment as provided in the 2009 Plan for stock splits, stock dividends, recapitalizations and other similar events. Awards may be granted under the 2009 Plan until the sooner of October 9, 2019 or until all shares available for Awards under the 2009 Plan have been purchased or acquired. The Company is authorized to issue up to 1,200,000 shares under this plan and as of December 31, 2013, the Company has 299,741 shares available for future Awards under the 2009 Plan.

On September 22, 2011, the Company's stockholders approved and adopted the 2011 Plan, which had previously been approved by the Company's Board of Directors on July 19, 2011. The 2011 Plan provides for the grant of Awards to employees, officers, non-employee directors and consultants of the Company. The Company's Compensation Committee has the authority to determine the type of Award as well as the amount, terms and conditions of each Award under the 2011 Plan, subject to the limitations and other provisions of the 2011 Plan. A total of 2,300,000 shares of the Company's common stock were authorized for the granting of Awards under the 2011 Plan. The number of shares available for Awards, as well as the terms of outstanding Awards, is subject to adjustment as provided in the 2011 Plan for stock splits, stock dividends, recapitalizations and other similar events. On September 13, 2012 the stockholders approved an increase to the number of shares of the Company's common stock available for issuance by 3,000,000 shares. On September 6, 2013 the stockholders approved an increase to the number of shares of the Company's common stock available for issuance by 7,100,000 shares. Awards may be granted under the 2011 Plan until September 21, 2021 or until all shares available for Awards under the 2011 Plan have been purchased or acquired unless the stockholders of the Company vote to approve an extension of the 2011 Plan prior to such expiration date. As of December 31, 2013, the Company is authorized to issue up to 12,400,000 shares under this plan and has 7,240,723 shares available for future issuances.

In addition to the stock options issued pursuant to the Company's three stock incentive plans, the Company has granted warrants to employees, officers, non-employee directors, consultants and independent contractors. The warrants are generally not subject to vesting requirements and have ten-year terms.

On June 28, 2013, the Company granted options to three officers of the Company, Jerrell Shelton, Chief Executive Officer, Robert Stefanovich, Chief Financial Officer and Steve Leatherman, Chief Commercial Officer to purchase 3,902,507 shares, 839,016 shares and 807,054 shares, respectively, of the Company's common stock at an exercise price equal to the closing price of the Company's common stock, or $0.27 per share. These options were granted outside of the Company's incentive plans. Mr. Shelton's option vests immediately with respect to 162,604 shares and the right to purchase the remaining shares vests in equal monthly installments on the fifth of each month for forty six months beginning on July 5, 2013 and ending on May 5, 2017. The options granted to Mr. Stefanovich and Mr. Leatherman vest ratably on a monthly basis over four years. The vesting of the options of all three officers would accelerate on the day the Company files a Form 10-Q or 10-K indicating an income from operations for the Company in two consecutive fiscal quarters and immediately in the event of a change of control of the Company.

Summary of Assumptions and Activity

The Company uses Black-Scholes to recognize the value of stock-based compensation expense for all share-based payment awards. Determining the appropriate fair-value model and calculating the fair value of stock-based awards at the grant date requires considerable judgment, including estimating stock price volatility, risk free interest rate, expected option life and forfeiture rates. The Company develops estimates based on historical data and market information, which can change significantly over time. The Company used the following assumptions for stock options granted during the nine months ended December 31, 2013 and 2012:

	For the Nine Months Ended December 31, 2013	**For the Nine Months Ended December 31, 2012**
	(unaudited)	**(unaudited)**
Stock options:		
Expected term (in years)	1.58 to 6.02	5.00 to 10.00
Expected volatility	127% to 140%	124% to 166%
Risk free interest rate	0.19% to 1.84%	0.63% to 2.22%
Expected dividend	N/A	N/A

A summary of employee and director options and warrant activity, including those options and warrants outside the plans, for the nine month period ended December 31, 2013 is presented below:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Yrs)	Aggregate Intrinsic Value
Outstanding at March 31, 2013	5,408,597	$ 0.93		
Granted	7,648,272	0.27		
Exercised	(650,000)	0.20		
Forfeited	(70,000)	7.71		
Outstanding and expected to vest at December 31, 2013	12,336,869	$ 0.52	8.75	$ 607,284
Exercisable at December 31, 2013	5,202,530	$ 0.83	7.88	$ 286,953

For the nine months ended December 31, 2013 and 2012, the following represents the Company's weighted average fair value of all options granted:

Period Ended:	Granted	Weighted Average Fair Value of Options
December 31, 2013	7,648,272	$ 0.24
December 31, 2012	3,939,794	$ 0.25

There were options to purchase 7,648,272 and 3,939,794 shares of common stock granted to employees and directors during the nine months ended December 31, 2013 and 2012, respectively. In connection with the options granted and the vesting of prior options issued during the three and nine months ended December 31, 2013 and 2012, the Company recorded total charges of $178,466 and $509,129 and $239,512 and $471,351, respectively which have been included in selling, general and administrative expenses in the accompanying unaudited condensed consolidated statements of operations. The Company issues new shares from its authorized shares upon exercise of warrants or options.

As of December 31, 2013, there was $1.8 million of total unrecognized compensation cost related to non-vested stock options which is expected to be recognized over a remaining weighted average vesting period of 3.19 years.

Note 8. Subsequent Events

In January and February 2014, the Company issued additional 5% Bridge Notes in the original principal amount of $310,000 to certain accredited investors, pursuant to the terms of the subscription agreements and letters of investment intent. This includes a note in the amount of $50,000 issued to Jerrell Shelton, the Company's Chief Executive Officer, on January 10, 2014 and a note in the amount of $100,000 issued on February 3, 2014 to GBR Investments LLC, of which Richard G. Rathmann, a member of the board of directors of the Company, is the manager.

On January 8, 2014, GBR Investments, LLC, of which Richard G. Rathmann, a member of the board of directors of the Company, is the manager, exercised warrants to purchase 200,000 shares of Common Stock at $0.25 per share.

In February 2014, the Company entered into a services agreement with Liventa Bioscience, Inc. ("Liventa"), a commercial stage biotechnology company focused on cell-based, advanced biologics in the orthopedic industry. Under this agreement, Liventa will be using Cryoport Express® Solutions for the logistics of its cell-based therapies requiring cryogenic temperatures and also provide Cryoport Express® Solutions to the biologics suppliers within the orthopedic arena. The agreement combines Cryoport's proprietary, purpose-built cold chain logistics solutions for cell based and advanced biologic tissue forms with Liventa's distribution capability to orthopedic care providers.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

In this Form 10-Q the terms "Cryoport", "Company" and similar terms refer to Cryoport, Inc., and its wholly owned subsidiary Cryoport Systems, Inc.

SAFE HARBOR FOR FORWARD LOOKING STATEMENTS:

This Quarterly Report on Form 10-Q contains forward-looking statements that have been made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995 and concern matters that involve risks and uncertainties that could cause actual results to differ materially from those projected in the forward-looking statements. In some cases, you can identify these statements by terminology such as "may," "will," "should," "could," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," "continue" or similar words which are intended to identify forward-looking statements, although not all forward-looking statements contain these words. Although we believe that our opinions and expectations reflected in the forward-looking statements are reasonable as of the date of this Quarterly Report, we cannot guarantee future results, levels of activity, performance or achievements, and our actual results may differ substantially from the views and expectations set forth in this Quarterly Report. You should be aware that these statements are projections or estimates as to future events and are subject to a number of factors that may tend to influence the accuracy of the statements. These forward-looking statements should not be regarded as a representation by the Company or any other person that the events or plans of the Company will be achieved. You should not unduly rely on these forward-looking statements, which speak only as of the date of this Quarterly Report. We undertake no obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of this Quarterly Report or to reflect the occurrence of unanticipated events. You should, however, review the factors and risks we describe in the reports we file from time to time with the Securities and Exchange Commission ("SEC", including those contained in our Annual Report on Form 10-K for the fiscal year ended March 31, 2013, as filed with the SEC on June 25, 2013 and those reports filed) after the date of this Quarterly Report. Actual results may differ materially from any forward looking statement.

The following management discussion and analysis of the Company's financial condition and results of operations ("MD&A") should be read in conjunction with the condensed consolidated balance sheet as of December 31, 2013 (unaudited) and the consolidated balance sheet as of March 31, 2013 (audited) and the related unaudited condensed consolidated statements of operations for the three and nine months ended December 31, 2013 and 2012, and cash flows for the nine months ended December 31, 2013 and 2012 and the related notes thereto (see Item 1. Financial Statements) as well as the audited consolidated financial statements of the Company as of March 31, 2013 and 2012 and for the years then ended included in the Company's Annual Report on Form 10-K for the year ended March 31, 2013.

General Overview

We provide leading edge frozen shipping logistics solutions to the life sciences industry. Since 2011, through the completion of the combination of our purpose-built and patented packaging, purpose-built cold chain logistics platform software, information technologies and developed logistics knowhow known as "total turnkey management" we have provided logistics solutions for frozen shipping to the life sciences industry. Our solutions are disruptive to "older technologies" as they are more comprehensive and provide reliable, economic alternatives to existing products and services utilized for frozen shipping in the life sciences industry including stem cells, cell lines, vaccines, diagnostic materials, semen and embryos for in-vitro fertilization, cord blood, bio-pharmaceuticals, infectious substances and other items that require continuous exposure to frozen or cryogenic temperatures. In addition, our solutions can contribute significantly to the effectiveness, reliability and efficiency of clinical trials.

Cryoport Express® Solutions include "cloud-based" logistics management software branded as the Cryoportal™. The Cryoportal™ software platform supports the logistics management of an entire shipment process through a single interface which includes initial order input, document preparation, customs clearance documentation, courier management, shipment tracking, issue resolution, and delivery. Cryoport's total turnkey logistics solutions offer reliability, cost effectiveness and convenience, while the use of recyclable and reusable components provides "green," environmentally friendly solutions. The Cryoportal™ software platform provides an array of unique information dashboards and validation documentation for every shipment.

Integral to our logistics solutions is our packaging and the Cryoport Liquid Nitrogen Dry Vapor Shippers (Cryoport Express® Shippers), which are cost-effective and reusable cryogenic transport containers (patented vacuum flasks) utilizing innovative liquid nitrogen (LN2) "dry vapor" technology. Cryoport Express® Shippers are non-hazardous, IATA (International Air Transport Association) certified, and validated to maintain stable temperatures below minus 150° Celsius for a 10-plus day dynamic shipment period. The Company currently features two Cryoport Express Shipper models, the Standard Dry Vapor Shipper (holding up to approximately 75-2.0 ml vials) and the High Volume Dry Vapor Shipper (holding up to approximately 500-2.0 ml vials).

The Cryoport Express® Solutions include recording and retaining a fully documented "chain-of-custody" and, at the client's option, "chain-of-condition" for every shipment, helping ensure that quality, safety, efficacy, and stability of shipped commodities are maintained. This recorded and archived information allows our customers to meet the exacting requirements necessary for scientific work and for regulatory purposes. Cryoport Express® Solutions can be used by customers, as a "turnkey" solution, through direct access to the cloud-based Cryoportal™, or by contacting Cryoport Client Care for order entry tasks. Cryoport provides 24/7/365 logistics services through its Client Care team and also provides complete training and process management services to support each client's specific requirements.

From 2011 through 2012, the Cryoport Express® Solution was the Company's principal focus for development and commercialization. During the last months of 2012, the Company changed its approach to the market and became a solutions provider to the cold chain for the life sciences. Customer facing offerings were developed and our approach was enhanced to include a comprehensive solutions for frozen shipping in the life sciences. We expanded our solutions orientation to address the various broader market needs in the life science industries. Today, as a solutions provider, Cryoport tailors its frozen logistics solutions to life sciences client requirements by using its expertise in the application or it competencies in cold chain packaging, information technology and cold chain logistics. In addition to custom solutions, the Company's primary customer facing solutions offerings are as follows:

- **Cryoport Express® Solution**

  The fully outsourced turnkey logistics solution described above.

- **Customer-Staged Solution**

  Cryoport ships an inventory of Cryoport Express® Shippers to the customer (uncharged and in bulk) enabling the customer to charge the shippers at its facility, process its orders through the Cryoportal™ which permits Cryoport Client Care to oversee the logistics of each shipment and the return of the shippers to Cryoport for cleaning, testing and refurbishing. Cryoport Client Care provides the 24/7/365 logistics services utilizing its Cryoportal™ logistics platform.

- **Customer-Managed Solution**

  Cryoport ships a fully charged Cryoport Express® Shipper(s) to the customer enabling the customer to utilize its internal expertise to manage all or a portion of the logistics services. As with the above solutions, the shippers are returned to Cryoport for cleaning, testing and refurbishing within a pre-determined time period.

- **Customer Integrated Logistics**

  The Cryoport logistics team provides a tailored and full range of logistics support solutions. In addition to tailoring a management solution, the robust, enterprise grade Cryoportal™ is used to provide complete logistics services while enabling the customer to utilize its own packaging solutions or Cryoport Express® Shippers. Cryoport can provide onsite logistics personnel allowing the customer to fully outsource its cold chain logistics needs to Cryoport and focus on its core competencies.

- **Distribution Partnerships**

  "Powered by Cryoport" is an important partnership arrangement with integrators, freight forwarders and other logistics providers, enabling partners to expand their solutions offering by adding the total Cryoport Express® Shipper solution to their customer offering.

One of our distribution partners is Federal Express Corporation ("FedEx"). We have an agreement with FedEx to provide frozen shipping logistics services through the combination of our purpose-built proprietary technologies and turnkey management processes. FedEx markets and sells Cryoport's services for frozen temperature-controlled cold chain transportation as its FedEx® Deep Frozen Shipping Solution, on a non-exclusive basis and at its sole expense. During fiscal year 2013, the Company worked closely with FedEx to further align its sales efforts and accelerate penetration within FedEx's life sciences customer base through improved processes, sales incentives, joint customer calls and more frequent communication at the sales and executive level. In addition, FedEx has developed a FedEx branded version of the Cryoportal™ software platform, which is "powered by Cryoport", for use by FedEx and its customers giving them access to the full capabilities of our logistics management platform.

In January 2013, we entered into a master agreement ("FedEx Agreement") with FedEx renewing these services and providing FedEx with a non-exclusive license and right to use a customized version of our Cryoportal™ for the management of shipments made by FedEx customers. The FedEx Agreement became effective on January 1, 2013 and, unless sooner terminated as provided in the FedEx Agreement, expires on December 31, 2015.

Pursuant to an agreement with DHL Express (USA), Inc. ("DHL"), DHL biotechnology and life science customers have direct access to our cloud-based order entry and tracking portal to order Cryoport Express® Dry Shippers and receive preferred DHL shipping rates. The agreement covers DHL shipping discounts that may be used to support our customers using the Cryoport Express® Solutions. In connection with the agreement, we have integrated our proprietary Cryoportal™ to DHL's tracking and billing systems to provide DHL biotechnology and life science customers with a seamless way ("powered by Cryoport") of shipping their critical biological material worldwide.

In December 2012, we signed an agreement with Pfizer Inc. relating to Zoetis Inc. (formerly the animal health business unit of Pfizer Inc.) pursuant to which we were engaged to manage frozen shipments of a key poultry vaccine. Under this arrangement, the Company is providing on-site logistics personnel and its logistics management platform, the Cryoportal™, to manage shipments from the Zoetis manufacturing site in the United States to domestic customers as well as various international distribution centers. As part of its logistics management services, the Company is analyzing shipping data and processes to further streamline Zoetis' logistics, ensuring products arrive at their destinations in specified conditions, on-time and with the optimum use of resources. The Company manages Zoetis' total fleet of dewar flask shippers used for this purpose, including liquid nitrogen shippers. In July 2013, the agreement was amended to expand Cryoport's scope to manage all shipments of the key frozen poultry vaccine to all Zoetis' international distribution centers as well as all domestic shipments of this vaccine. In October 2013 the agreement was further amended to further expand Cryoport's services to include the logistics management for a second poultry vaccine.

Subsequent to quarter end, in February 2014, we entered into a services agreement with Liventa Bioscience, Inc. ("Liventa"), a commercial stage biotechnology company focused on cell-based, advanced biologics in the orthopedic industry. Under this agreement, Liventa will be using Cryoport Express® Solutions for the logistics of its cell-based therapies requiring cryogenic temperatures and also provide Cryoport Express® Solutions to the biologics suppliers within the orthopedic arena. The agreement combines Cryoport's proprietary, purpose-built cold chain logistics solutions for cell based and advanced biologic tissue forms with Liventa's distribution capability to orthopedic care providers.

We offer our solutions to companies in the biotechnology and life sciences industries and specific verticals including manufacturers of stem cells and cell lines, diagnostic laboratories, bio-pharmaceuticals, contract research organizations, in-vitro fertilization, cord blood, vaccines, tissue, animal husbandry, and other producers of commodities requiring reliable frozen solutions for logistics problems. These companies operate within heavily regulated environments and as such, changing vendors and distribution practices typically require a number of steps, which may include the audit of our facilities, review of our procedures, qualifying us as a vendor, and performing test shipments. This process can take up to nine months or longer to complete prior to a potential customer adopting one or more of the Cryoport Express® Solutions.

We have incurred losses since inception in 2003 and have an accumulated deficit of $84.4 million through December 31, 2013.

Results of Operations

Three months ended December 31, 2013 compared to three months ended December 31, 2012:

Net revenues. Net revenues were $757,300 for the three months ended December 31, 2013, as compared to $307,200 for the three months ended December 31, 2012. The $450,200 or 147% increase was driven by increased solutions revenues from new and existing clients and the ramp up and expansion of logistics solutions and services provided to Zoetis which initially commenced in February of 2013 and an increase in both, the number of customers utilizing our services and frequency of shipments compared to the same period in the prior year.

Gross margin (loss) and cost of revenues. Gross margin for the three months ended December 31, 2013 was 22% of net revenues, or $167,100 as compared to a gross loss of 20% of net revenues, or $61,600, for the three months ended December 31, 2012. The increase in gross margin is primarily due to the increase in net revenue combined with a reduction in freight as a percentage of revenues and a decrease of fixed manufacturing costs. Cost of revenues for the three months ended December 31, 2013 was 78% of net revenues, or $590,300, as compared to 120% of net revenues, or $368,800, for the three months ended December 31, 2012. The cost of revenues exceeded net revenues in 2012 due to fixed manufacturing costs and plant underutilization.

Selling, general and administrative expenses. Selling, general and administrative expenses were $1.3 million for the three months ended December 31, 2013, as compared to $1.4 million for the three months ended December 31, 2012. The $87,400 decrease is primarily due to decrease in board of director stock-based compensation related to Office of CEO in 2012, partially offset by an increase in compensation related to replacement of the Chief Executive Officer and increase in the sales and marketing department compared to the previous year.

Research and development expenses. Research and development expenses were $118,500 for the three months ended December 31, 2013, as compared to $94,400 for the three months ended December 31, 2012. Our research and development efforts are focused on continually improving the features of the Cryoport Express® solutions including the Company's cloud-based logistics management platform, the Cryoportal™ and the Cryoport Express® Shippers. The increase in research and development is primarily due to a higher level of development efforts related to the Cryoportal™ as customer requests for additional functionality have increased.

Debt conversion expense. Debt conversion expense for the three months ended December 31, 2013 of $552,800 was related to the induced conversion of $150,000 of aggregate principal and interest from the Bridge Notes into shares of common stock and warrants. Debt conversion expense represents the fair value of the securities transferred in excess of the fair value of the securities issuable upon the original conversion terms of the Bridge Notes. The Company calculated the fair value of the common stock issued by using the closing price of the stock on the date of issuance. The fair value of the warrants was calculated using Black-Scholes.

Interest expense. Interest expense was $31,800 for the three months ended December 31, 2013, as compared to $11,900 for the three months ended December 31, 2012. Interest expense for the three months ended December 31, 2013 included accrued interest on our related party notes payable of approximately $8,900, amortization of the debt discount and deferred financing fees of approximately $25,300 and interest expense on our Bridge Notes of approximately $1,100. Interest expense for the three months ended December 31, 2012 represents accrued interest on our related party notes payable of $10,000.

Change in fair value of derivative liabilities. The gain on the change in fair value of derivative liabilities was $1,200 for the three months ended December 31, 2013, compared to a loss of $6,100 for the three months ended December 31, 2012. The gain for the three months ended December 31, 2013 was the result of a decrease in the value of our warrant derivatives, due primarily to a decrease in our stock price.

Nine months ended December 31, 2013 compared to nine months ended December 31, 2012:

Net revenues. Net revenues were $1.8 million for the nine months ended December 31, 2013, as compared to $732,000 for the nine months ended December 31, 2012. The $1.1 million or 149% increase is primarily driven by the ramp up and expansion of logistics services provided to Zoetis which initially commenced in February of 2013 and an increase in both, the number of customers utilizing our services and frequency of shipments compared to the same period in the prior year.

Gross margin (loss) and cost of revenues. Gross margin for the nine months ended December 31, 2013 was 16% of net revenues, or $293,800 as compared to a gross loss of 46% of net revenues, or $334,800, for the nine months ended December 31, 2012. The increase in gross margin is primarily due to the increase in net revenue combined with a reduction in freight as a percentage of revenues and a decrease of fixed manufacturing costs. Cost of revenues for the nine months ended December 31, 2013 was 84% of net revenues, or $1.5 million, as compared to 146% of net revenues, or $1.1 million, for the nine months ended December 31, 2012. The cost of revenues exceeded net revenues in 2012 due to fixed manufacturing costs and plant underutilization.

Selling, general and administrative expense. Selling, general and administrative expenses were $3.8 million for the nine months ended December 31, 2013, as compared to $4.0 million for the nine months ended December 31, 2012. The $235,500 decrease is primarily related to a severance payment of approximately $180,000 paid to the former chief executive officer in April 2012 and a decrease in board of director stock-based compensation. Partially offsetting these decreases is an increase in compensation related to replacement of the Chief Executive Officer and an increase in the sales and marketing department expenses compared to previous year.

Research and development expenses. Research and development expenses were $329,600 for the nine months ended December 31, 2013, as compared to $305,000 for the nine months ended December 31, 2012. Our research and development efforts are focused on continually improving the features of the Cryoport Express® solutions including the Company's cloud-based logistics management platform, the Cryoportal™ and the Cryoport Express® Shippers.

Debt conversion expense. Debt conversion expense for the nine months ended December 31, 2013 of $13.7 million was related to the induced conversion of $4,127,200 of aggregate principal and interest from the Bridge Notes into shares of common stock and warrants. Debt conversion expense represents the fair value of the securities transferred in excess of the fair value of the securities issuable upon the original conversion terms of the Bridge Notes. The Company calculated the fair value of the common stock issued by using the closing price of the stock on the date of issuance. The fair value of the warrants was calculated using Black-Scholes.

Interest expense. Interest expense was $626,800 for the nine months ended December 31, 2013, as compared to $48,300 for the nine months ended December 31, 2012. Interest expense for the nine months ended December 31, 2013 included accrued interest on our related party notes payable of approximately $27,900, amortization of the debt discount and deferred financing fees of approximately $540,600 and interest expense on our Bridge Notes of approximately $58,600. Interest expense for the nine months ended December 31, 2012 included accrued interest on our related party notes payable of approximately $32,000, amortization of the debt discount of approximately $9,000 and interest expense on our convertible debentures of approximately $3,000.

Change in fair value of derivative liabilities. The gain on the change in fair value of derivative liabilities was $20,800 for the nine months ended December 31, 2013, compared to a gain of $27,700 for the nine months ended December 31, 2012. The gain for the nine months ended December 31, 2013 was the result of a decrease in the value of our warrant derivatives, due primarily to a decrease in our stock price.

Liquidity and Capital Resources

As of December 31, 2013, the Company had cash and cash equivalents of $220,000 and negative working capital of $785,400. As of March 31, 2013, the Company had cash and cash equivalents of $563,100 and negative working capital of $1.5 million. Historically, we have financed our operations primarily through sales of our debt and equity securities. From March 2005 through December 31, 2013, we have received net proceeds of approximately $37.4 million from sales of our common stock and the issuance of promissory notes, warrants and debt.

For the nine months ended December 31, 2013, we used $3.2 million of cash for operations primarily as a result of the net loss of $18.1 million offset by non-cash expenses of $15.0 million primarily comprised of debt conversion expense, amortization of debt discount and deferred financing costs, fair value of stock options and warrants, depreciation and amortization and change in fair value of derivative instruments. Net operating losses decreased primarily as a result of increase in net revenues. Also contributing to the cash impact of our net operating loss (excluding non-cash items) was an increase in accounts receivable of $418,600, which was partially offset by an increase in accounts payable and other accrued liabilities of $388,800.

Net cash used in investing activities totaled $139,500 during the nine months ended December 31, 2013 and was attributable to the purchase of property and equipment, primarily the increase in high-volume shippers to meet expected customer demand.

Net cash provided by financing activities totaled $3.0 million during the nine months ended December 31, 2013, and resulted from proceeds from the issuance of convertible debt of $3.2 million and proceeds from the exercise of stock options and warrants of $180,000, partially offset by the payment of financing costs of $358,500 and the repayment of related party notes of $72,000.

As discussed in Note 2 of the accompanying condensed consolidated financial statements, there exists substantial doubt regarding the Company's ability to continue as a going concern. As discussed above, the Company received proceeds from issuance of convertible debt as bridge financing in the fourth quarter of fiscal 2013 and the first nine months of fiscal 2014. The funds raised are being used for working capital purposes and to continue our sales efforts to advance the Company's commercialization of the Cryoport Express® Solutions. As discussed in Note 8 of the accompanying condensed consolidated financial statements, the Company issued additional unsecured convertible promissory notes in principal amount of $310,000 in the fourth quarter of fiscal 2014. However, the Company's management recognizes that the Company will need to obtain additional capital to fund its operations and until sustained profitable operations are achieved. Management is currently working on such funding alternatives in order to secure sufficient operating capital through the end of fiscal year 2014. In addition, management will continue to review its operations for further cost reductions to extend the time that the Company can operate with its current cash on hand and additional bridge financing and to utilize third parties for services such as its international recycling and refurbishment centers to provide for greater flexibility in aligning operational expenses with the changes in sales volumes.

Additional funding plans may include obtaining additional capital through equity and/or debt funding sources; however, no assurance can be given that additional capital, if needed, will be available when required or upon terms acceptable to the Company.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Changes in United States interest rates would affect the interest earned on our cash and cash equivalents.

Based on our overall cash and cash equivalents interest rate exposure at as of December 31, 2013, a near-term change in interest rates, based on historical movements, would not have a material adverse effect on our financial position or results of operations.

The above only incorporates those exposures that existed as of December 31, 2013, and does not consider those exposures or positions which could arise after that date.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures.

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the timelines specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Principal Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving the desired control objectives, and in reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Securities and Exchange Commission Rule 13a-15(b), we carried out an evaluation, under the supervision and with the participation of our management, including our Principal Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, our Principal Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2013 at the reasonable assurance level.

Changes in internal control over financial reporting.

There were no changes in our internal controls over financial reporting during the fiscal quarter ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None

ITEM 1A. RISK FACTORS

The risks described in *Part I*, *Item 1A*, *Risk Factors*, in our Annual Report on Form 10-K for the fiscal year ended March 31, 2013, could materially and adversely affect our business, financial condition and results of operations. These risk factors do not identify all of the risks that we face. Our business, financial condition and results of operations could also be affected by factors that are not presently known to us or that we currently consider to be immaterial. There have been no material changes to the "Risk Factors" section included in our 2013 Annual Report.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES

On October 2 and October 3, 2013, the Company entered into definitive agreements for the conversion of the Bridge Notes pursuant to the offer letter from the Company and Letters of Tender and Exchange submitted by the note holders (the "Exchange Documents"). Pursuant to the Exchange Documents, the note holders converted an aggregate of $150,027 of outstanding principal and interest under the Bridge Notes into 750,137 units (the "Units") at a price of $0.20 per Unit, with each Unit consisting of (i) one share of common stock of the Company ("Common Stock") and (ii) one warrant to purchase one share of Common Stock at an exercise price of $0.37 per share. The warrants are exercisable beginning on March 31, 2014 and have a term of five years from date of issuance. As the transaction was considered an induced conversion under the applicable accounting guidance, the Company recognized $552,750 in debt conversion expense representing the fair value of the securities transferred in excess of the fair value of the securities issuable upon the original conversion terms of the Bridge Notes.

Emergent Financial Group, Inc. served as the Company's placement agent in connection with the original placement of the Bridge Notes and earned a commission of 9% of the original principal balance of such notes, or $13,500 at the time of the original issuance of such notes and was issued warrants to purchase 75,014 shares of Common Stock at an exercise price of $0.20 per share upon the conversion of such Bridge Notes.

In December 2013, the Company issued to certain accredited investors 5% Bridge Notes in the original principal amount of $441,000, including a note in the amount of $70,000 issued to Jerrell Shelton, the Company's Chief Executive Officer. In connection therewith, the Company also granted such accredited investors warrants to purchase 220,500 shares of common stock at an exercise price of $0.49 per share. The warrants are exercisable on May 31, 2014 and expire on December 31, 2018.

Emergent Financial Group, Inc. served as the Company's placement agent in connection with the placement of the 5% Bridge Notes and earned a commission of 9% of the original principal balance of such notes, excluding the note issued to Jerrell Shelton, or $33,390 at the time of the original issuance of such notes.

The issuance of the securities of the Company in the above transaction were deemed to be exempt from registration under the Securities Act of 1933 by virtue of Section 4(2) thereof or Regulation D promulgated there under, as a transaction by an issuer not involving a public offering. With respect to the transaction listed above, no general solicitation was made by either the Company or any person acting on the Company's behalf; the securities sold are subject to transfer restrictions; and the certificates for the shares contain an appropriate legend stating that such securities have not been registered under the Securities Act of 1933 and may not be offered or sold absent registration or pursuant to an exemption there from

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

Exhibit Index	
4.23+	Form of Warrant issued With Convertible Promissory Notes (5% Bridge Notes)
10.33+	Form of Convertible Promissory Notes (5% Bridge Notes) issued with Warrants
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

+ Filed herewith.
* Furnished herewith.

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Cryoport, Inc.

Dated: February 13, 2014

By: */s/ Jerrell W. Shelton*

Jerrell W. Shelton
Chief Executive Officer

Dated: February 13, 2014

By: */s/ Robert S. Stefanovich*

Robert S. Stefanovich
Chief Financial Officer

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAW, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF OR EXERCISED UNLESS (I) A REGISTRATION STATEMENT REGISTERING SUCH SECURITIES UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS SHALL HAVE BECOME EFFECTIVE, OR (II) AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND OR QUALIFICATION UNDER APPLICABLE STATE SECURITIES LAWS IS AVAILABLE IN CONNECTION WITH SUCH OFFER, SALE OR TRANSFER.

AN INVESTMENT IN THESE SECURITIES INVOLVES A HIGH DEGREE OF RISK. HOLDERS MUST RELY ON THEIR OWN ANALYSIS OF THE INVESTMENT AND ASSESSMENT OF THE RISKS INVOLVED.

Warrant to Purchase
_________ shares

Warrant Number _________

Warrant to Purchase Common Stock
of
CRYOPORT, INC.

THIS CERTIFIES that ______________ or any subsequent holder hereof ("Holder") has the right to purchase from Cryoport, Inc., a Nevada corporation, (the "Company"), _______ fully paid and nonassessable shares of the Company's common stock, $0.001 par value per share ("Common Stock"), subject to adjustment as provided herein, at a price equal to the Exercise Price as defined in Section 3 below at any time during the Exercise Period (as defined below).

Holder agrees with the Company that this Warrant to Purchase Common Stock of the Company (this "Warrant" or this "Agreement") is issued and all rights hereunder shall be held subject to all of the conditions, limitations and provisions set forth herein.

1. <u>Term and Restriction on Exercise</u>.

This Warrant may not be exercised until May 31, 2014 and the rights under this Warrant expire at 5:00 p.m., Pacific Time, on December 31, 2018 (such period of exercise is referred to herein as the "Term").

Notwithstanding anything herein to the contrary, the Company shall not issue to the Holder, and the Holder may not acquire, a number of shares of Common Stock upon exercise of this Warrant to the extent that, upon such exercise, the number of shares of Common Stock then beneficially owned by the Holder and its Affiliates and any other persons or entities whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (including shares held by any "group" of which the Holder is a member, but excluding shares beneficially owned by virtue of the ownership of securities or rights to acquire securities that have limitations on the right to convert, exercise or purchase similar to the limitation set forth herein) would exceed 9.98% of the total number of shares of Common Stock then issued and outstanding (the "9.98% Cap"), provided that the 9.98% Cap shall only apply to the extent that the Common Stock is deemed to constitute an "equity security" pursuant to Rule 13d-1(i) promulgated under the Exchange Act. For purposes hereof, "group" has the meaning set forth in Section 13(d) of the Exchange Act and applicable regulations of the Securities and Exchange Commission (the "SEC"), and the percentage held by the Holder shall be determined in a manner consistent with the provisions of Section 13(d) of the Exchange Act. Upon the written request of the Holder, the Company shall, within two (2) Trading Days, confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding.

"Affiliate" means any person or entity that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a person or entity, as such terms are used in and construed under Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"). With respect to a Holder of Warrants, any investment fund or managed account that is managed on a discretionary basis by the same investment manager as such Holder will be deemed to be an Affiliate of such Holder.

2. Exercise.

(a) Manner of Exercise. During the Term (the "Exercise Period"), this Warrant may be Exercised as to all or any lesser number of whole shares of Common Stock covered hereby (the "Warrant Shares" or the "Shares") upon surrender of this Warrant, with the Exercise Form attached hereto as Exhibit A (the "Exercise Form") duly completed and executed, together with the full Exercise Price (as defined below, which may be satisfied by a Cash Exercise or a Cashless Exercise, each as defined below) for each share of Common Stock as to which this Warrant is Exercised, at the office of the Company, Cryoport, Inc., 20382 Barrents Sea Circle, Lake Forest, California 92630; Fax: (949) 470-2306, with an electronic copy (for informational purposes only, and not constituting delivery hereunder) to: stockadministrator@cryoport.com, or at such other office or agency as the Company may designate in writing, by overnight mail, with an advance copy of the Exercise Form sent to the Company by facsimile (such surrender and payment of the Exercise Price hereinafter called the "Exercise" of this Warrant).

(b) Date of Exercise. If any portion of the Exercise Price is satisfied by a Cash Exercise (as defined below), the "Date of Exercise" of the Warrant shall be defined as the later of (A) the date that the Exercise Form attached hereto as Exhibit A, completed and executed, is sent by facsimile or email to the Company, provided that the original Warrant and Exercise Form are received by the Company, each as soon as practicable thereafter (or, the date the original Exercise Form is received by the Company, if Holder has not sent advance notice by facsimile) and (B) the date that the Exercise Price is received by the Company. If no portion of the Exercise Price is satisfied by a Cash Exercise, the "Date of Exercise" of the Warrant shall be defined as the date that the Exercise Form attached hereto as Exhibit A, completed and executed, is sent by facsimile or email to the Company, provided that the original Warrant and Exercise Form are received by the Company, each as soon as practicable thereafter (or, the date the original Exercise Form is received by the Company, if Holder has not sent advance notice by facsimile or email).

(c) Delivery of Common Stock Upon Exercise. Within three (3) business days after any Date of Exercise, or in the case of a Cashless Major Exercise as defined in Section 5(c) below, within the period provided in Section 5(c)(iv) (the "Delivery Period"), the Company shall issue and deliver (or cause its Transfer Agent to issue and deliver) in accordance with the terms hereof to or upon the order of the Holder that number of shares of Common Stock ("Exercise Shares") for the portion of this Warrant exercised as shall be determined in accordance herewith. Upon the Exercise of this Warrant or any part hereof, the Company shall, at its own cost and expense, take all necessary action, including obtaining and delivering an opinion of counsel, to assure that the Transfer Agent shall issue stock certificates in the name of Holder (or its nominee) or such other persons as designated by Holder and in such denominations to be specified at Exercise representing the number of shares of Common Stock issuable upon such Exercise.

(d) Delivery Failure. In addition to any other remedies which may be available to the Holder, in the event that the Company fails for any reason to effect delivery of the Exercise Shares by the end of the Delivery Period (a "Delivery Failure"), the Holder will be entitled to revoke all or part of the relevant Exercise Form by delivery of a notice to such effect to the Company via facsimile or email not later than three (3) Trading Days after the end of the Delivery Period, whereupon the Company and the Holder shall each be restored to their respective positions immediately prior to the delivery of such notice, except that the liquidated damages described herein shall be payable through the date notice of revocation or rescission is given to the Company.

(e) Restrictive Legend. The Holder understands that the Exercise Shares will be issued pursuant to a claimed exemption from registration under the Securities Act and thus the certificate for the Exercise Shares will bear a restrictive legend in substantially the following form (and a stop-transfer order will be placed against transfer of the certificates for such securities):

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER SAID ACT, OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER SAID ACT INCLUDING, WITHOUT LIMITATION, PURSUANT TO RULES 144 OR 144A UNDER SAID ACT OR PURSUANT TO A PRIVATE SALE EFFECTED UNDER APPLICABLE FORMAL OR INFORMAL SEC INTERPRETATION OR GUIDANCE, SUCH AS A SO-CALLED "4(1) AND A HALF" SALE."

(f) Cancellation of Warrant. This Warrant shall be canceled upon the full Exercise of this Warrant and if this Warrant is not Exercised in full, Holder shall be entitled to receive a new Warrant (containing terms identical to this Warrant) representing any unexercised portion of this Warrant in addition to such Common Stock.

(g) Holder of Record. Each person in whose name any Warrant for shares of Common Stock is issued shall, for all purposes, be deemed to be the Holder of record of such shares on the Date of Exercise of this Warrant, irrespective of the date of delivery of the Common Stock purchased upon the Exercise of this Warrant.

3. Payment of Warrant Exercise Price for Cash Exercise or Cashless Exercise; Cashless Major Exercise.

(a) Exercise Price. The Exercise Price ("Exercise Price") shall initially equal $0.49 per share, subject to adjustment pursuant to the terms hereof, including but not limited to Section 5 below. Payment of the Exercise Price may be made by either of the following, or combination thereof, at the election of Holder:

(i) Cash Exercise: The Holder may exercise this Warrant in cash, bank or cashier's check or wire transfer; or

(ii) Cashless Exercise: The Holder may exercise this Warrant in a cashless exercise transaction. In order to effect a Cashless Exercise, the Holder shall surrender this Warrant at the principal office of the Company together with the Exercise Form attached hereto as Exhibit A indicating that the Holder is exercising the Warrant pursuant to a cashless election, in which event the Company shall issue Holder a number of shares of Common Stock computed using the following formula (a "Cashless Exercise"):

$$X = Y (A-B)/A$$

where: X = the number of shares of Common Stock to be issued to Holder.

Y = the number of shares of Common Stock for which this Warrant is being Exercised.

A = the Market Price of one (1) share of Common Stock (for purposes of this Section 3(a)(ii), where "Market Price," as of any date, means the Volume Weighted Average Price (as defined herein) of the Company's Common Stock during the ten (10) consecutive Trading Day period immediately preceding the date in question.

B = the Exercise Price.

As used herein, the "Volume Weighted Average Price" for any security as of any date means the volume weighted average sale price on The NASDAQ Global Market ("NASDAQ") as reported by, or based upon data reported by, Bloomberg Financial Markets or an equivalent, reliable reporting service mutually acceptable to and hereafter designated by holders of a majority in interest of the Warrants and the Company ("Bloomberg") or, if NASDAQ is not the principal trading market for such security, the volume weighted average sale price of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or, if no volume weighted average sale price is reported for such security, then the last closing trade price of such security as reported by Bloomberg, or, if no last closing trade price is reported for such security by Bloomberg, the average of the bid prices of any market makers for such security that are listed in the over the counter market by the Financial Industry Regulatory Authority, Inc. or in the "pink sheets" by the Pink OTC Market, Inc, or in the Over-The-Counter Bulletin Board ("OTCBB"). If the Volume Weighted Average Price cannot be calculated for such security on such date in the manner provided above, the volume weighted average price shall be the fair market value as mutually determined by the Company and the Holders of a majority in interest of the Warrants being Exercised for which the calculation of the volume weighted average price is required in order to determine the Exercise Price of such Warrants. "Trading Day" shall mean any day on which the Common Stock is traded for any period on the OTCBB, NASDAQ, or on the principal securities exchange or other securities market on which the Common Stock is then being traded.

For purposes of Rule 144 and sub-section (d)(3)(ii) thereof, it is intended, understood and acknowledged that the Common Stock issuable upon Exercise of this Warrant in a Cashless Exercise transaction shall be deemed to have been acquired at the time this Warrant was issued. Moreover, it is intended, understood and acknowledged that the holding period for the Common Stock issuable upon Exercise of this Warrant in a Cashless Exercise transaction shall be deemed to have commenced on the date this Warrant was issued.

(b) Cashless Major Exercise: To the extent the Holder shall exercise this Warrant or any portion thereof as a Cashless Major Exercise pursuant to Section 5(c)(i) below, the Holder shall surrender this Warrant at the principal office of the Company together with the Exercise Form indicating that the Holder is exercising this Warrant (or such portion thereof) pursuant to a Cashless Major Exercise, in which event the Company shall issue a number of shares of Common Stock equal to the Black-Scholes Value (as defined in Section 5(c)(iii) below) of the remaining unexercised portion of this Warrant (or such applicable portion being exercised) divided by the closing price of the Common Stock on the principal securities exchange or other securities market on which the Common Stock is then traded on the Trading Day immediately preceding the date on which the applicable Major Transaction is consummated (such number of shares, the "Black Scholes Shares Amount").

(c) Dispute Resolution. In the case of a dispute as to the determination of the closing price or the Volume Weighted Average Price of the Company's Common Stock or the arithmetic calculation of the Exercise Price, Market Price or any Major Transaction Warrant Early Termination Price, the Company shall submit the disputed determinations or arithmetic calculations via facsimile within two (2) business days of receipt, or deemed receipt, of the Exercise Notice or Major Transaction Early Termination Notice, or other event giving rise to such dispute, as the case may be, to the Holder. If the Holder and the Company are unable to agree upon such determination or calculation within two (2) business days of such disputed determination or arithmetic calculation being submitted to the Holder, then the Company shall, within two (2) business days submit via facsimile (i) the disputed determination of the closing price or the Volume Weighted Average Price of the Company's Common Stock to an independent, reputable investment bank selected by the Company and approved by the Holder, which approval shall not be unreasonably withheld or (ii) the disputed arithmetic calculation of the Exercise Price, Market Price or any Major Transaction Warrant Early Termination Price to the Company's independent, outside accountant. The Company shall cause the investment bank or the accountant, as the case may be, to perform the determinations or calculations and notify the Company and the Holder of the results no later than five (5) business days from the time such investment bank or accountant, as the case may be, receives the disputed determinations or calculations. Such investment bank's or accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error.

4. Transfer Rights. Subject to the provisions of Section 8 of this Warrant, this Warrant may be transferred on the books of the Company, in whole or in part, in person or by attorney, upon surrender of this Warrant properly completed and endorsed. This Warrant shall be canceled upon such surrender and, as soon as practicable thereafter, the person to whom such transfer is made shall be entitled to receive a new Warrant or Warrants as to the portion of this Warrant transferred, and Holder shall be entitled to receive a new Warrant as to the portion hereof retained.

5. Adjustments Upon Certain Events.

(a) Participation. The Holder, as the holder of this Warrant, shall be entitled to receive such dividends paid and distributions of any kind made to the holders of Common Stock of the Company to the same extent as if the Holder had Exercised this Warrant into Common Stock (without regard to any limitations on exercise herein or elsewhere and without regard to whether or not a sufficient number of shares are authorized and reserved to effect any such exercise and issuance) and had held such shares of Common Stock on the record date for such dividends and distributions. Payments under the preceding sentence shall be made concurrently with the dividend or distribution to the holders of Common Stock.

(b) Recapitalization or Reclassification. If the Company shall at any time effect a stock split, payment of stock dividend, recapitalization, reclassification or other similar transaction of such character that the shares of Common Stock shall be changed into or become exchangeable for a larger or smaller number of shares, then upon the effective date thereof, the number of shares of Common Stock which Holder shall be entitled to purchase upon Exercise of this Warrant shall be increased or decreased, as the case may be, in direct proportion to the increase or decrease in the number of shares of Common Stock by reason of such stock split, payment of stock dividend, recapitalization, reclassification or similar transaction, and the Exercise Price shall be, in the case of an increase in the number of shares, proportionally decreased and, in the case of decrease in the number of shares, proportionally increased. The Company shall give Holder the same notice it provides to holders of Common Stock of any transaction described in this Section 5(b).

(c) Rights Upon Major Transaction.

(i) Major Transaction. In the event that a Major Transaction (as defined below) occurs, then (1) in the case of a Cash-Out Major Transaction and in the case of a Mixed Major Transaction to the extent of the percentage of the cash consideration in the Mixed Major Transaction (determined in accordance with the definition of a Mixed Major Transaction below), the Holder, at its option, may require the Company to redeem the Holder's outstanding Warrants in accordance with Section 5(c)(iii) below, (2) in the case of a transaction with a Publicly Traded Successor Entity covered by the provisions of Section 5(c)(i)(A) below in which the Company is not the surviving entity (a "Successor Redemption Transaction") and in the case of a Mixed Major Transaction that is a Successor Redemption Transaction, to the extent of the percentage of the consideration represented by securities of a Publicly Traded Successor Entity, the Holder may require this Warrant to be treated as a Successor Redemption in accordance with Section 5(c)(iii) below and (3) in the case of all other Major Transactions and in the case of a Mixed Major Transaction that is not covered by clause 5(c)(i)(2), to the extent of the percentage of the consideration represented by securities of a Successor Entity in the Mixed Major Transaction, the Holder shall have the right to exercise this Warrant as a Cashless Major Exercise. In the event the Holder shall not have exercised any of its rights under clauses (1), (2) or (3) above within the applicable time periods set forth herein, then the Major Transaction shall be treated as an Assumption (as defined below) in accordance with Section 5(c)(ii) below unless the Holder waives its rights under this Section 5(c) with respect to such Major Transaction. Each of the following events shall constitute a "Major Transaction":

(A) a consolidation, merger, exchange of shares, recapitalization, reorganization, business combination or other similar event, (1) following which the holders of Common Stock immediately preceding such consolidation, merger, exchange, recapitalization, reorganization, combination or event either (a) no longer hold a majority of the shares of Common Stock or (b) no longer have the ability to elect a majority of the board of directors of the Company or (2) as a result of which shares of Common Stock shall be changed into (or the shares of Common Stock become entitled to receive) the same or a different number of shares of the same or another class or classes of stock or securities of another entity (collectively, a "Change of Control Transaction");

(B) the sale or transfer, in one transaction or in a series of related transactions, of significant assets of the Company which, without limitation, shall include, but not be limited to, a sale or transfer, in one transaction or in a series of related transactions, of more than 50% of the Company's assets as reflected on its then latest publicly filed balance sheet (including proprietary rights), *provided, however,* that except for a sale of all or substantially all of the Company's assets, a collaborative arrangement, licensing agreement, joint venture or partnership or similar business arrangement providing for the development or commercial exploitation or, or right to develop or commercially exploit, the technology, intellectual property or products of the Company (including arrangements that involve the assignment or licensing of any existing or newly developed intellectual property under such arrangements) whereby income or profits are to be shared (including by lump sum royalty or running royalty) with any other entity shall not constitute a Major Transaction;

(C) a purchase, tender or exchange offer made to the holders of outstanding shares of Common Stock, such that following such purchase, tender or exchange offer a Change of Control Transaction shall have occurred;

(D) the liquidation, bankruptcy, insolvency, dissolution or winding-up (or the occurrence of any analogous proceeding) affecting the Company; or

(E) the shares of Common Stock cease to be listed, traded or publicly quoted on the OTCBB, and are not promptly re-listed or requoted on either the New York Stock Exchange, the NYSE Alternext U.S., the NASDAQ Global Select Market, the NASDAQ Capital Market or listed in the over the counter market by the Financial Industry Regulatory Authority, Inc. or in the "pink sheets" by the Pink OTC Market, Inc.

(ii) *Assumption.* The Company shall not enter into or be party to a Major Transaction that is to be treated as an Assumption pursuant to Section 5(c)(i), unless (i) any Person purchasing the Company's assets or Common Stock, or any successor entity resulting from such Major Transaction (in each case, a "Successor Entity"), assumes in writing all of the obligations of the Company under this Warrant, and (ii) pursuant to written agreements in form and substance satisfactory to the Holder and approved by the Holder prior to such Major Transaction, including agreements to deliver to each holder of Warrants in exchange for such Warrants a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to the Warrants, including, without limitation, an instrument representing the appropriate number of shares of the Successor Entity, having similar exercise rights as the Warrants (including but not limited to a similar Exercise Price and similar Exercise Price adjustment provisions based on the price per share or conversion ratio to be received by the holders of Common Stock in the Major Transaction), satisfactory to the Holder. Upon the occurrence of any Major Transaction, any Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Major Transaction, the provisions of this Warrant referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant with the same effect as if such Successor Entity had been named as the Company herein. Upon consummation of the Major Transaction, the Successor Entity shall deliver to the Holder confirmation that there shall be issued upon exercise or redemption of this Warrant at any time after the consummation of the Major Transaction, in lieu of the shares of Common Stock (or other securities, cash, assets or other property) issuable upon the exercise of the Warrants prior to such Major Transaction, such shares of common stock (or their equivalent) of the Successor Entity, as adjusted in accordance with the provisions of this Warrant. The provisions of this Section shall apply similarly and equally to successive Major Transactions and shall be applied without regard to any limitations on the exercise of this Warrant other than any applicable beneficial ownership limitations. Any assumption of Company obligations under this paragraph shall be referred to herein as an "Assumption."

(iii) Notice; Major Transaction Early Termination Right; Notice of Cashless Major Exercise. At least thirty (30) days prior to the consummation of any Major Transaction, but, in any event, on the first to occur of (x) the date of the public announcement of such Major Transaction if such announcement is made before 4:00 p.m., New York City time, or (y) the day following the public announcement of such Major Transaction if such announcement is made on and after 4:00 p.m., New York City time, the Company shall deliver written notice thereof via facsimile and overnight courier to the Holder (a "Major Transaction Notice"). At any time during the period beginning after the Holder's receipt of a Major Transaction Notice and ending five (5) Trading Days prior to the consummation of such Major Transaction (the "Early Termination Period"), the Holder may require the Company to redeem (an "Early Termination Upon Major Transaction") all or any portion of this Warrant not eligible to be treated as a Cashless Major Exercise (without taking into consideration the 9.98% Cap) by delivering written notice thereof ("Major Transaction Early Termination Notice") to the Company, which Major Transaction Early Termination Notice shall indicate the portion of the principal amount (the "Early Termination Principal Amount") of the Warrant that the Holder is electing to have redeemed. The portion of this Warrant subject to early termination pursuant to this Section 5(c)(iii) (the "Redeemable Shares"), shall be redeemed by the Company at a price (the "Major Transaction Warrant Early Termination Price") payable in cash equal to the Black Scholes Value of the Redeemable Shares determined by use of the Black Scholes Option Pricing Model using the criteria set forth in Schedule 1 hereto (the "Black Scholes Value").

At any time during the Early Termination Period, the Holder may require the Company to treat all or any portion of this Warrant eligible to be treated as a Successor Redemption (without taking into consideration the 9.98% Cap) as a Successor Redemption by delivering written notice thereof (a "Successor Redemption Notice") to the Company, which Successor Redemption Notice shall indicate the portion of the principal amount of the Warrant that the Holder is electing to have treated as a Successor Redemption. The portion of this Warrant subject to Successor redemption pursuant to this Section 5(c)(iii) (the "Successor Redemption Shares"), shall be converted upon consummation of such Major Transaction into the number of securities of the Successor Entity (the "Successor Redemption Shares") that would be issuable under the terms of such Major Transaction in respect of a number of shares of Common Stock equal to the Black Scholes Share Amount.

To the extent the Holder shall elect to effect a Cashless Major Exercise in respect of a Major Transaction, the Holder shall deliver its exercise notice in accordance with Section 3(b), within the Early Termination Period.

(iv) Escrow; Payment of Major Transaction Warrant Early Termination Price. Following the receipt of a Major Transaction Early Termination Notice or a Cashless Major Exercise from the Holder, the Company shall not effect a Major Transaction that is being treated as an early termination or is eligible to be treated as a Cashless Major Exercise unless (a) the definitive documentation governing such Major Transaction provides that it shall be a condition precedent to the consummation of such Major Transaction that the Holder be issued or paid, as the case may be, an amount in shares of Common Stock or cash, as applicable, equal to the Major Transaction Warrant Early Termination Price and/or applicable Exercise Shares or (b) it shall first place into an escrow account with an independent escrow agent, at least three (3) business days prior to the closing date of the Major Transaction (the "Major Transaction Escrow Deadline"), an amount in shares of Common Stock (or irrevocable instructions to the Transfer Agent to issue such shares) or cash, as applicable, equal to the Major Transaction Warrant Early Termination Price and/or applicable Exercise Shares. Concurrently upon closing of such Major Transaction, the Company shall pay or shall instruct the escrow agent to pay the Major Transaction Warrant Early Termination Price and/or to deliver the applicable Exercise Shares to the Holder. For purposes of determining the amount required to be placed in escrow pursuant to the provisions of this subsection (iv) and without affecting the amount of the actual Major Transaction Warrant Early Termination Price and/or applicable Exercise Shares, the calculation of the price referred to in clause (1) of the first column of Schedule 1 hereto with respect to Stock Price shall be determined based on the Closing Market Price (as defined on Schedule I) of the Common Stock on the Trading Day immediately preceding the date that the funds and/or applicable Exercise Shares, as applicable, are deposited with the escrow agent.

Following the receipt of a Successor Redemption Notice, the Company shall not effect the applicable Major Transaction unless the definitive documentation governing such Major Transaction includes an obligation by the Successor Entity to issue the Successor Redemption Shares to the Holder upon consummation of the Major Transaction and designates the Holder as an express third party beneficiary of such obligation.

(v) Injunction. Following the receipt of a Major Transaction Early Termination Notice or notice of a Cashless Major Exercise from the Holder, in the event that the Company attempts to consummate a Major Transaction without either placing the Major Transaction Warrant Early Termination Price or applicable Exercise Shares, as applicable, in escrow in accordance with subsection (iv) above or without payment of the Major Transaction Warrant Early Termination Price or issuance of the applicable Exercise Shares, as applicable, to the Holder prior to consummation of such Major Transaction, or without providing for the issuance of Successor Redemption Shares in accordance with Section 5(c) above, as applicable, the Holder shall have the right to apply for an injunction in any state or federal courts sitting in the City of New York, borough of Manhattan to prevent the closing of such Major Transaction until the Major Transaction Warrant Early Termination Price is paid to the Holder, in full, the applicable Exercise Shares are delivered or the issuance of the Successor Redemption Shares is provided for, as applicable.

An early termination required by this Section 5(c) shall be made in accordance with the provisions of Section 12 and shall have priority to payments to holders of Common Stock in connection with a Major Transaction to the extent an early termination required by this Section 5(c)(iii) are deemed or determined by a court of competent jurisdiction to be prepayments of the Warrant by the Company, such early termination shall be deemed to be voluntary prepayments. Notwithstanding anything to the contrary in this Section 5, until the Major Transaction Warrant Early Termination Price is paid in full or the Successor Redemption Shares are fully issued, as applicable, this Warrant may be exercised, in whole or in part, by the Holder into shares of Common Stock, or in the event the Exercise Date is after the consummation of the Major Transaction or in the event of a Successor Redemption, shares of publicly traded common stock (or their equivalent) of the Successor Entity pursuant to Section 5(c). The parties hereto agree that in the event of the Company's early termination of any portion of the Warrant under this Section 5(c), the Holder's damages would be uncertain and difficult to estimate because of the parties' inability to predict future interest rates and the uncertainty of the availability of a suitable substitute investment opportunity for the Holder. Accordingly, any premium due under this Section 5(c) is intended by the parties to be, and shall be deemed, a reasonable estimate of the Holder's actual loss of its investment opportunity and not as a penalty.

For purposes hereof:

“Cash-Out Major Transaction” means a Major Transaction in which the consideration payable to holders of Common Stock in connection with the Major Transaction consists solely of cash.

“Cashless Major Exercise” shall mean an exercise of this Warrant or portion thereof as a “Cashless Major Exercise” in accordance with Section 3(b) and 5(c)(i) hereof.

“Eligible Market” means the OTCBB, the New York Stock Exchange, Inc., the NYSE Arca, the NASDAQ Capital Market, the NASDAQ Global Market, the NASDAQ Global Select Market or the NYSE Alternext U.S.

“Mixed Major Transaction” means a Major Transaction in which the consideration payable to the shareholders of the Company consists partially of cash and partially of securities of a Successor Entity. If the Successor Entity is a Publicly Traded Successor Entity, the percentage of consideration represented by securities of such Successor Entity shall be equal to the percentage that the value of the aggregate anticipated number of shares of the Publicly Traded Successor Entity to be issued to holders of Common Stock of the Company represents in comparison to the aggregate value of all consideration, including cash consideration, in such Mixed Major Transaction, as such values are set forth in any definitive agreement for the Mixed Major Transaction that has been executed at the time of the first public announcement of the Major Transaction or, if no such value is determinable from such definitive agreement, based on the closing market price for shares of the Publicly Traded Successor Entity on its principal securities exchange on the Trading Day preceding the first public announcement of the Mixed Major Transaction. If the Successor Entity is a Private Successor Entity, the percentage of consideration represented by securities of such Successor Entity shall be determined in good-faith by the Company's Board of Directors

“Parent Entity” of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common stock or equivalent equity security is quoted or listed on an Eligible Market, or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of a Major Transaction.

“Person” means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and a government or any department or agency thereof.

“Private Successor Entity” means a Successor Entity that is not a Publicly Traded Successor Entity.

“Publicly Traded Successor Entity” means a Successor Entity that is a publicly traded corporation whose common stock is quoted on or listed for trading on an Eligible Market (as defined above).

“Successor Entity” means any Person purchasing the Company’s assets or Common Stock, or any successor entity resulting from such Major Transaction, or if the Warrant is to be exercisable for shares of capital stock of its Parent Entity (as defined above), its Parent Entity.

(d) Exercise Price Adjusted. As used in this Warrant, the term “Exercise Price” shall mean the purchase price per share specified in Section 3(a) of this Warrant, until the occurrence of an event stated in this Section 5 or otherwise set forth in this Warrant, and thereafter shall mean said price as adjusted from time to time in accordance with the provisions of said subsection. No adjustment made pursuant to any provision of this Section 5 shall have the net effect of increasing the aggregate Exercise Price in relation to the split adjusted and distribution adjusted price of the Common Stock.

(e) Adjustments: Additional Shares, Securities or Assets. In the event that at any time, as a result of an adjustment made pursuant to this Section 5 or otherwise, Holder shall, upon Exercise of this Warrant, become entitled to receive shares and/or other securities or assets (other than Common Stock) then, wherever appropriate, all references herein to shares of Common Stock shall be deemed to refer to and include such shares and/or other securities or assets; and thereafter the number of such shares and/or other securities or assets shall be subject to adjustment from time to time in a manner and upon terms as nearly equivalent as practicable to the provisions of this Section 5.

(f) Notice of Adjustments. Whenever the Exercise Price is adjusted pursuant to the terms of this Warrant, the Company shall promptly mail to the Holder a notice (an “Exercise Price Adjustment Notice”) setting forth the Exercise Price after such adjustment and setting forth a statement of the facts requiring such adjustment. The Company shall, upon the written request at any time of the Holder, furnish to such Holder a like Warrant setting forth (i) such adjustment or readjustment, (ii) the Exercise Price at the time in effect and (iii) the number of shares of Common Stock and the amount, if any, of other securities or property which at the time would be received upon Exercise of the Warrant. For purposes of clarification, whether or not the Company provides an Exercise Price Adjustment Notice pursuant to this Section 5(f), upon the occurrence of any event that leads to an adjustment of the Exercise Price, the Holder would be entitled to receive a number of Exercise Shares based upon the new Exercise Price, as adjusted, for exercises occurring on or after the date of such adjustment, regardless of whether the Holder accurately refers to the adjusted Exercise Price in the Exercise Form.

6. Fractional Interests.

No fractional shares or scrip representing fractional shares shall be issuable upon the Exercise of this Warrant, but on Exercise of this Warrant, Holder may purchase only a whole number of shares of Common Stock. If, on Exercise of this Warrant, Holder would be entitled to a fractional share of Common Stock or a right to acquire a fractional share of Common Stock, such fractional share shall be disregarded and the number of shares of Common Stock issuable upon Exercise shall be the next higher whole number of shares.

7. Reservation of Shares.

From and after the date hereof, the Company shall at all times reserve for issuance such number of authorized and unissued shares of Common Stock (or other securities substituted therefor as herein above provided) as shall be sufficient for the Exercise of this Warrant and payment of the Exercise Price. If at any time the number of shares of Common Stock authorized and reserved for issuance is below the number of shares sufficient for the Exercise of this Warrant (a "Share Authorization Failure") (based on the Exercise Price in effect from time to time), the Company will promptly take all corporate action necessary to authorize and reserve a sufficient number of shares, including, without limitation, calling a special meeting of stockholders to authorize additional shares to meet the Company's obligations under this Section 7, in the case of an insufficient number of authorized shares, and using its best efforts to obtain stockholder approval of an increase in such authorized number of shares. The Company covenants and agrees that upon the Exercise of this Warrant, all shares of Common Stock issuable upon such Exercise shall be duly and validly issued, fully paid and nonassessable and not subject to preemptive rights, rights of first refusal or similar rights of any Person.

8. Restrictions on Transfer.

(a) Registration or Exemption Required. This Warrant has been issued in a transaction exempt from the registration requirements of the Securities Act by virtue of Regulation D and exempt from state registration or qualification under applicable state laws. None of the Warrant or the Exercise Shares may be pledged, transferred, sold, assigned, hypothecated or otherwise disposed of except pursuant to an effective registration statement or an exemption to the registration requirements of the Securities Act and applicable state laws including, without limitation, a so-called "4(1) and a half" transaction.

(b) Assignment. Should the Holder desire to sell, transfer, assign, pledge, hypothecate or otherwise dispose of this Warrant, in whole or in part; the Holder shall deliver a written notice to Company, substantially in the form of the Assignment attached hereto as Exhibit B, indicating the Person or Persons to whom the Warrant is requested to be assigned and the respective number of Warrant Shares to be assigned to each assignee. The Company may permit the assignment upon such reasonable conditions as the Company may require, including the delivery to the Company of an acceptable opinion of counsel as to the assignment's qualification for an exemption from registration. This Warrant and the rights evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Holder.

(c) Representations of the Holder. The right to acquire Common Stock or the Common Stock issuable upon exercise of the Holder's rights contained herein will be acquired for investment and not with a view to the sale or distribution of any part thereof, and the Holder has no present intention of selling, transferring, assigning, pledging, hypothecating or otherwise disposing of this Warrant in any public distribution of the same except pursuant to a registration or exemption. Holder is an "accredited investor" within the meaning of the Securities and Exchange Commission's Rule 501 of Regulation D, as presently in effect. The Holder understands (i) that the Common Stock issuable upon exercise of the Holder's rights contained herein is not registered under the Securities Act or qualified under applicable state securities laws on the ground that the issuance contemplated by this Warrant will be exempt from the registration and qualifications requirements thereof and (ii) that the Company's reliance on such exemption is predicated on the representations set forth in this Section 8(c). The Holder has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment and has the ability to bear the economic risks of its investment.

9. Noncircumvention.

The Company hereby covenants and agrees that the Company will not, by amendment of its certificate of incorporation, bylaws or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company (i) shall not increase the par value of any shares of Common Stock receivable upon the exercise of this Warrant above the Exercise Price then in effect, and (ii) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock upon the exercise of this Warrant.

10. Benefits of this Warrant.

Nothing in this Warrant shall be construed to confer upon any person other than the Company and Holder any legal or equitable right, remedy or claim under this Warrant and this Warrant shall be for the sole and exclusive benefit of the Company and Holder.

11. Governing Law.

All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of California, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, employees or agents) shall be commenced exclusively in the state and federal courts sitting in Los Angeles, California. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in such city for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. The parties hereby waive all rights to a trial by jury. If either party shall commence an action or proceeding to enforce any provisions of this Agreement, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

12. Loss of Warrant.

Upon receipt by the Company of evidence of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) of indemnity or security reasonably satisfactory to the Company, and upon surrender and cancellation of this Warrant, if mutilated, the Company shall execute and deliver a new Warrant of like tenor and date.

13. Notice or Demands.

Notices or demands pursuant to this Warrant to be given or made by Holder to or on the Company shall be sufficiently given or made if sent by certified or registered mail, return receipt requested, postage prepaid, and addressed, until another address is designated in writing by the Company, to the address set forth in Section 2(a) above. Notices or demands pursuant to this Warrant to be given or made by the Company to or on Holder shall be sufficiently given or made if sent by certified or registered mail, return receipt requested, postage prepaid, and addressed, to the address of Holder set forth in the Company's records, until another address is designated in writing by Holder.

IN WITNESS WHEREOF, the undersigned has executed this Warrant as of ______________.

CRYOPORT, INC.

By: ______________________________

Robert Stefanovich
Title: Chief Financial Officer

EXHIBIT A

EXERCISE FORM FOR WARRANT

TO: [ ]

CHECK THE APPLICABLE BOX:

¨ ***Exercise***

The undersigned hereby irrevocably exercises the attached warrant (the "Warrant") with respect to shares of Common Stock (the "Common Stock") of Cryoport, Inc., a Nevada corporation (the "Company"), and, if pursuant to a Cashless Exercise, herewith makes payment of the Exercise Price with respect to such shares in full, all in accordance with the conditions and provisions of said Warrant.

[IF APPLICABLE: The undersigned hereby encloses $____ as payment of the Exercise Price.]

¨ ***Cashless Major Exercise***

The undersigned hereby irrevocably exercises the Warrant with respect to ____% of the Warrant currently outstanding pursuant to a Cashless Major Exercise in accordance with the terms of the Warrant.

1. The undersigned requests that any stock certificates for such shares be issued and, if applicable, a warrant representing any unexercised portion hereof be issued, pursuant to the Warrant in the name of the undersigned and delivered to the undersigned at the address set forth below.

2. Capitalized terms used but not otherwise defined in this Exercise Form shall have the meaning ascribed thereto in the Warrant.

Dated: _______________

Signature

Print Name

Address

NOTICE

The signature to the foregoing Exercise Form must correspond to the name as written upon the face of the attached Warrant in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT B

ASSIGNMENT

(To be executed by the registered holder
desiring to transfer the Warrant)

FOR VALUE RECEIVED, the undersigned holder of the attached warrant (the “Warrant”) hereby sells, assigns and transfers unto the person or persons below named the right to purchase __________ shares of the Common Stock of Cryoport, Inc., a Nevada corporation, evidenced by the attached Warrant and does hereby irrevocably constitute and appoint __________ attorney to transfer the said Warrant on the books of the Company, with full power of substitution in the premises.

Dated: ______________________________

____
Signature

Fill in for new registration of Warrant:

____
Name

____
Address

____
Please print name and address of assignee
(including zip code number)

NOTICE

The signature to the foregoing Assignment must correspond to the name as written upon the face of the attached Warrant in every particular, without alteration or enlargement or any change whatsoever.

Schedule 1

Black-Scholes Value

Calculation Under Section 5(c)(iii)

Remaining Term	Number of calendar days from date of public announcement of the Major Transaction after commencement of the Exercise Period until the last date on which the Warrant may be exercised.
Interest Rate	A risk-free interest rate corresponding to the US$ LIBOR/Swap rate for a period equal to the Remaining Term.
Volatility	If the first public announcement of the Major Transaction is made at or prior to 4:00 p.m., New York City time, the arithmetic mean of the historical volatility for the 10, 30 and 50 Trading Day periods ending on the date of such first public announcement, obtained from the HVT or similar function on Bloomberg. If the first public announcement of the Major Transaction is made after 4:00 p.m., New York City time, the arithmetic mean of the historical volatility for the 10, 30 and 50 Trading Day periods ending on the next succeeding Trading Day following the date of such first public announcement, obtained from the HVT or similar function on Bloomberg.
Stock Price	The greater of (1) the closing price of the Common Stock on the OTCBB, or, if that is not the principal trading market for the Common Stock, such principal market on which the Common Stock is traded or listed (the "Closing Market Price") on the trading day immediately preceding the date on which a Major Transaction is consummated, (2) the first Closing Market Price following the first public announcement of a Major Transaction, or (3) the Closing Market Price as of the date immediately preceding the first public announcement of the Major Transaction.
Dividends	Zero.
Strike Price	Exercise Price as defined in section 3(a).

FORM OF NOTE

THE ISSUANCE OF THIS PROMISSORY NOTE, AND THE SECURITIES INTO WHICH IT IS CONVERTIBLE (COLLECTIVELY, THE "SECURITIES"), HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE. THE SECURITIES ARE BEING OFFERED PURSUANT TO CLAIMED EXEMPTIONS FROM REGISTRATION UNDER REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THE SECURITIES ARE "RESTRICTED SECURITIES" AND MAY NOT BE OFFERED OR RESOLD UNLESS THE SECURITIES ARE REGISTERED UNDER THE ACT, OR ELIGIBLE TO BE OFFERED OR SOLD PURSUANT TO AN APPLICABLE EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS. THE COMPANY MAY REQUIRE THAT IT BE PROVIDED WITH OPINION OF COUNSEL OR OTHER SUCH INFORMATION AS IT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH EXEMPTIONS ARE AVAILABLE. FURTHER, HEDGING TRANSACTIONS INVOLVING THE SECURITIES MAY NOT BE MADE EXCEPT IN COMPLIANCE WITH THE ACT.

CRYOPORT, INC.

US $____________

This Promissory Note (the "*Note*") is issued as of ______________ by CRYOPORT, INC., a Nevada corporation (the "*Company*"), to ___________ (together with its permitted successors and assigns, the "*Holder*") with an address of __________________ pursuant to exemptions from registration under the Securities Act of 1933, as amended.

ARTICLE I.

Section 1.01 **Principal and Interest.** The Company hereby promises to pay on the Maturity Date specified in Section 1.02 the principal sum of US $_________ and interest on such principal balance at the annual rate of five percent (5%).

Section 1.02 **Maturity Date.** All unpaid principal and accrued interest hereunder shall be paid on June 30, 2014.

Section 1.03 **Optional Conversion to Preferred Stock.**

(a) Equity Offering. The Company is currently in negotiations with prospective investors for the issuance by the Company of equity securities. These securities may be common stock or preferred stock and may or may not involve the issuance of warrants to purchase equity in the Company. The terms of such equity securities have yet to be established and there can be no assurance that such equity securities will be issued. In the event, however, that the Company shall issue one or more types of equity securities (a "Transaction") before the maturity of this Note, the Company shall in each event notify the Holder in writing within ten (10) days of such issuance of the terms of the Transaction and the Holder shall have the option until ten (10) days after such notice to convert all or a portion of the principal and accrued interest under this Note into the equity securities that were issued by the Company at a per share (or per unit) price that is equal to 90% of the per share (or per unit) price offered in such Transaction, but otherwise on the same terms that the Company issued said securities in such Transaction. The Company shall not issue fractional shares upon a conversion. If the application of the conversion price shall contemplate issuance of less than a half share, such fractional share shall not be issued and no payment shall be made to the converting Holder and should such application result in the issuance of a half or greater fractional share, such fractional share shall be rounded up to the next full share.

(b) Company Discretion.

(i) At any time after January 31, 2014, the Company may, but is not required to, offer the Holder the right to convert all or a portion of the principal and accrued interest under this Note into units consisting of shares of common stock of the Company ("Common Stock") and a warrant to purchase additional shares of Common Stock. The number of shares of the Common Stock issued upon conversion will be based on a conversion price that is equal to 70% of the average VWAP (as defined below) of the Common Stock for the ten (10) consecutive trading days immediately prior to the date of such offer. For each share of Common Stock issued in such conversion, the Holder will be issued the right to purchase, pursuant to a warrant, one share of Common Stock at an exercise price equal to the 110% of such average VWAP. Such warrant will expire approximately five years from issuance and will otherwise be in the same form as the warrant issued to the Holder in connection with the issuance of this Note. If the Company decides to make such an offer, the Company shall in each event notify the Holder in writing and the Holder shall have the option until ten (10) days after such notice to convert all or a portion of the principal and accrued interest under this Note into Units pursuant to the terms of such notice. The Company shall not issue fractional shares upon a conversion. If the application of the conversion price shall contemplate issuance of less than a half share, such fractional share shall not be issued and no payment shall be made to the converting Holder and should such application result in the issuance of a half or greater fractional share, such fractional share shall be rounded up to the next full share.

(ii) "VWAP" means the volume-weighted average trading price of the Common Stock for the applicable period (which must be calculated utilizing days in which the Common Stock actually trade); the VWAP shall be determined by dividing the aggregate sale price of all Common Stock sold on the applicable exchange or market, as the case may be, over the applicable period by the total number of Common Stock so sold.

(c) Restrictive Legend. The certificates evidencing the Common Stock may bear the following or any similar legend (in addition to any other legends that may be required):

> "THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES OR AN OPINION OF COUNSEL OR OTHER EVIDENCE ACCEPTABLE TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED."

ARTICLE II.

Section 2.01 **No Prepayment**. This Note may not be prepaid by the Company without the express written consent of the Holder.

Section 2.02 **Pari Passu With Other Notes**. The payment of this Note and other similar notes issued for up to an aggregate principal sum of $1,000,000 shall be made in full by the Company and if the Company is unable to fully repay all such notes, then payment shall be on a pari passu basis.

ARTICLE III.

Section 3.01 **Re-issuance of Note.** Should the Holder elect to convert a part, but not all, of the unpaid principal amount then owing to the Holder under this Note, then the Company shall reissue a new Note in the same form as this Note to reflect the new principal amount and the accrued and unpaid interest which was not converted.

Section 3.02 **Notices.** Notices regarding this Note shall be sent to the parties at the following addresses, unless a party notifies the other parties, in writing, of a change of address:

If to the Holder, to: ____________________

____

If to the Company: Cryoport, Inc.
Attn: Chief Financial Officer
20382 Barents Sea Circle
Lake Forest, CA 92101

Section 3.03 **Governing Law.** This Note shall be deemed to be made under and shall be construed in accordance with the laws of the state of Nevada without giving effect to the principals of conflict of laws thereof.

Section 3.04 **Severability.** The invalidity of any of the provisions of this Note shall not invalidate or otherwise affect any of the other provisions of this Note, which shall remain in full force and effect.

Section 3.05 **Entire Agreement and Amendments.** This Note represents the entire agreement between the parties hereto with respect to the subject matter hereof and there are no representations, warranties or commitments, except as set forth herein. This Note may be amended only by an instrument in writing executed by the parties hereto.

Section 3.06. **No Waiver, Cumulative Remedies**. No failure to exercise and no delay in exercising, on the part any party, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exhaustive of any rights, remedies, powers and privileges provided by law.

Section 3.07 **Waiver of Trial by Jury**. To the extent permitted by applicable Law, each of the parties irrevocably waives all right of trial by jury in any action, proceeding or counterclaim arising out of or in connection with this Note or any matter arising hereunder.

Section .3.08 **Legal Holidays**. In any case where the date on which any payment is due to any Holder shall not be a business day, then any such payment need not be made on such date, but may be made on the next succeeding business day with the same force and effect as if made on the date on which nominally due, and no interest shall accrue for the period from and after any such nominal date.

IN WITNESS WHEREOF, with the intent to be legally bound hereby, the Company as executed this Note as of the date first written above.

CRYOPORT, INC.

By: ___________________________________
a duly authorized officer

EXHIBIT 31.1

CERTIFICATION
CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jerrell W. Shelton, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cryoport, Inc.

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: February 13, 2014

/s/ Jerrell W. Shelton

JERRELL W. SHELTON
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION
CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert S. Stefanovich, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cryoport, Inc.

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: February 13, 2014

/s/ Robert S. Stefanovich

ROBERT S. STEFANOVICH
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of the Cryoport, Inc. (the “Company”) on Form 10-Q for the period ended December 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jerrell W. Shelton, President and Chief Executive Officer, of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jerrell W. Shelton

JERRELL W. SHELTON
President and Chief Executive Officer

February 13, 2014

In connection with the Quarterly Report of the Cryoport, Inc. (the “Company”) on Form 10-Q for the period ended December 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Robert S. Stefanovich, Chief Financial Officer, of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert S. Stefanovich

ROBERT S. STEFANOVICH
Chief Financial Officer

February 13, 2014

A signed original of this written statement required by Section 906 has been provided to Cryoport, Inc. and will be retained by Cryoport, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification is being furnished pursuant to Rule 15(d) and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. This Certification shall not be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.